OVERVIEW

We are one of the leading pet food manufacturers in China. Our R&D-driven manufacturing capabilities fulfill our dedication to quality, healthy and safe pet food and science-based feeding solutions. We are one of the few pet food manufacturers with both ODM and OBM operations. These highly-integrated and synergistic dual engines create a virtuous cycle. Our brand and product quality benefit from large-scale manufacturing capabilities, while our R&D are guided by market insights. Supported by production technologies for extrusion, baking, freeze-drying and fresh-food processing, we have established a diversified product portfolio, with focus on staple food for cats and dogs.

We offer quality, stable and customized ODM solutions to leading and emerging pet food brands. We ranked second in China's pet food third-party manufacturing industry, which comprises both ODM and OEM service providers, with a market share of 5.3% in terms of revenue in 2025, according to Frost & Sullivan. We ranked second in China's pet staple food third-party manufacturing industry, with a market share of 8.5% in terms of revenue in 2025.

Moreover, our solid experience in pet food development and production supported us to operate our own pet food brands. Our core brand, *Bi Le* (比樂), has become a domestic pet food brand with sustained competitive advantages, serving a broad consumer base. *Bi Le* (比樂) was the tenth largest domestic pet food brand, the ninth largest domestic pet staple food brand and the fifth largest domestic dog staple food brand in China, in terms of retail sales in 2025, according to Frost & Sullivan.

Founded in 2005, we pioneer in China's pet food industry, especially in pet staple food manufacturing. Science-based feeding is our core business concept, which guides us to place precise nutrition as our top priority. With over two decades of experience, we have developed strong capabilities in respect of fundamental research in pet nutrition, ingredient functionality and formula development, underpinning our ability to develop diversified and nutritionally balanced products. Our product innovation capabilities, coupled with intelligent manufacturing and supply chain management capabilities, ensure our stable delivery of quality pet food products under both ODM and OBM businesses.

Through more than two decades of efforts, we have achieved the following remarkable milestones:

1st
Laboratory Animal Use Permit for dogs and cats research in China

1st
pet food expert workstation

12
national, industry and association standards formulation(1)

132
patents in China(1)

1st
Industry 4.0 factory in China's pet food industry

CNAS
certified laboratory for testing(2)

2nd largest
pet food third-party manufacturer(3)

5th largest
domestic dog staple food brand in China — *Bi Le*(4)

One of Asia's largest
single-site pet science research base

Notes:

ranking and industry data according to Frost & Sullivan

(1) as of the Latest Practicable Date.

(2) China National Accreditation Service for Conformity Assessment.

(3) in terms of revenue in 2025.

(4) in terms of retail sales in 2025.

Research and Development. R&D is a pillar of our competitive advantages. We continuously advance our R&D capabilities to develop pet food with precise nutrition and enhanced safety. In 2020, we set up the industry's first pet food expert workstation, gathering leading pet food R&D experts. In 2023, we established one of Asia's largest single-site pet R&D bases which can support multi-dimensional R&D activities simultaneously, including research on nutrition needs of dogs and cats throughout their lifecycles, pets behavior analysis and development and validation of functional products. In 2025, we obtained the Laboratory Animal Use Permit. We were the first company in China's pet food industry to obtain such permit for dogs and cats research, and the only such company, as of the Latest Practicable Date, according to Frost & Sullivan. This has further reinforced our technological barriers. As of the

Latest Practicable Date, we owned 132 patents in China and had led or participated in the formulation of 12 national, industry and association standards, contributing to healthy and sustainable development of the industry and overall enhancement of compliance level in the industry.

Manufacturing. We were the only company in China's pet food industry to participate in formulating the "Evaluation Guidelines of 5G Fully-connected Factory (5G全連接工廠評價導則)." We established the first Industry 4.0 factory in the pet food industry and obtained AA-level certification in respect of management system integrating informatization and industrialization from the China Classification Society. We have achieved breakthroughs in pet food production model and production capabilities to cover diversed product categories. Meanwhile, we upgrade equipment of our production lines to improve production efficiency. Our stringent control over every production process ensures the stable quality of our products. These advancements have strengthened our core capabilities in large-scale and precision manufacturing of pet food.

Quality control. We have established a product safety framework. We have built our own laboratory accredited by CNAS, enabling us to perform testing at an accuracy level comparable to leading third-party professional institutions. We ensure our products quality and safety by regularly testing our products for microbial load, pesticide and veterinary drug residues, concentration level of heavy metal and standard nutritional parameters. The quality of our products solidifies customer trust.

OUR STRENGTHS

One of the Leading Pet Food Manufacturers in China, with Synergistic ODM and OBM Capabilities

We are one of the leaders in China's pet food industry

Since our establishment in 2005, we have positioned ourselves as an R&D-driven pet food manufacturer. We focus on pet staple food, which features high technical barriers and stringent quality standards. We have built an R&D system combining fundamental research with application research, enabling us to translate science concepts into commercialized products. Fundamental research focuses on ingredient functionality, pet nutrition and production technologies, while application research focuses on formula development, feeding trials, digestibility assessment and product validation. We were one of the first companies in the industry to deploy an Industry 4.0 factory, achieving end-to-end digitalized control across raw materials procurement, production, warehousing and logistics. Moreover, we have established a laboratory certified by CNAS, with reliable testing capabilities to ensure consistent product quality.

Targeting pet food market, we leverage our advanced R&D capabilities to develop product portfolio precisely addressing nutritional needs for pet breeds at different life stages. Our products can not only fulfill pet owners' basic expectations for safe and nutrition-balanced pet food but can also satisfy their needs for customized and functional product options. In addition, we have achieved breakthroughs in production efficiency and product quality. Such achievements are supported by comprehensive production capabilities, including advanced equipment, specialized technologies, standardized processes and stringent quality control. Our strong technological expertise, benchmark-level intelligent manufacturing capabilities and broad market influence enable us to become one of the leaders in China's pet food industry, continuously driving development of the industry toward standardized practice and high-end products.

We are one of the few pet food manufacturers with combined strengths in ODM and OBM

We have established a business model driven by dual-engine of ODM and OBM. The two business segments are deeply interconnected across R&D, manufacturing, branding and sales channels.

ODM as the foundation. We provide one-stop customized solutions from formula development to production and delivery under the ODM business. This has built up our reputation for quality standards. Our ODM business enables us to have large-scale production capacity, efficient supply chain and consistent product quality. We derived the majority of revenue from our ODM business during the Track Record Period, enabling us to capture market opportunities. Specifically, our solid experience in pet food development and manufacturing supported us to operate our own pet food brands.

OBM as the supplement. Through our proprietary brands, we directly engage with consumers, which helps us increase brand awareness, build reputation and enhance market influence. At the same time, our OBM business enables us to continuously gain insights into market trends and consumer needs, as well as gather useful consumer feedback. This supports us to continuously carry out targeted fundamental research, precise product development and efficient supply chain integration. The OBM business thus helps nurture our R&D innovation and product iteration, forming a closed loop to cover marketing, R&D and manufacturing, ultimately enhancing brand influence and consumer loyalty.

The diagram below sets forth our major brands under the OBM model:

Brand	Year of brand trademark registration	Brand Positioning
BILE 比乐	2007	High-end domestic pet staple food brand, featuring precise nutrition
AIBEI 爱倍	2006	Functional pet food for pets' healthcare
品卓™ PINZOR	2007	Quality and reliable pet food offering exceptional value for money

We are dedicated to becoming a long-term companion for pet owners and pets through our science-based nutrition solutions

Pets are increasingly becoming treasured companions in households. Recognizing their changing nutritional needs at different life stages, we advocate precise nutrition and develop pet food solutions addressing pets' full lifecycle needs. From premium ingredients to formula R&D, we provide science-based, targeted and functional nutrition solutions. Our tailored products meet pets' essential nutritional needs while supporting healthy growth, helping sustain the long-term bond between pets and their owners.

Innovation-led R&D Capabilities that Support Science-based Product Development and End-to-end Customization

Our strong fundamental research focuses on pet nutrition and behavior analysis

Our pet related laboratory testing and research is supported by three key advantages: data-driven approaches, specialized R&D bases and standardized processes, enabling us to pioneer in several underdeveloped areas of pet related laboratory research in China. Our fundamental research capabilities are leading in the industry.

We possess extensive fundamental research data. Through over two decades of development, we have established an R&D database for fundamental research, covering nutrition needs and behavioral characteristics of pets across their lifecycle, with tens of thousands of market-validated formula data incorporated. Empowered by this data infrastructure, our R&D efficiency has been improved.

As one of the first companies in the industry to establish a dedicated pet research institute, we consistently focus on fundamental research in animal science and veterinary science. As of the Latest Practicable Date, we had completed more than ten core research projects and had accumulated experience in pet related laboratory research areas at an early development stage in China. We operate one of Asia's largest single-site pet R&D bases in Xuancheng, Anhui. The R&D base enables multi-dimensional research, including fundamental research on nutrition needs of dogs and cats throughout their lifecycle, pets behavior analysis and development and validation of functional products. In 2025, we obtained the Laboratory Animal Use Permit. We were the first company in China's pet food industry to obtain such permit for dogs and cats research, and the only such company, as of the Latest Practicable Date, according to Frost & Sullivan. Such permit indicates that our ethics management system and research environment for experimental animals meets international standards.

We have led or participated in the formulation of a number of national, industry and association standards, including the Hygiene Standards for Pet Feed (Food) (寵物飼料(食品)衛生標準), the Technical Specification for Production Quality Control of Extrusion Pet (Dog and Cat) Feed (擠壓膨化固態寵物(犬、貓)飼料生產質量控制技術規範), the Complete Pet Food — Technical Specifications for Baking Processing (全價寵物食品烘焙加工技術規範) and the General Technical Specifications for Complete and Balanced Fresh Pet Food (全價寵物食品鮮糧通用技術規範), contributing to healthy and sustainable development of the pet food industry.

We adhere to a market-oriented R&D approach, with sharp market insight and robust capabilities of commercializing R&D outcomes

We adhere to a market-oriented approach, with deep insights into the consumer preferences and industry trends. In respect of our ODM business, we work closely with customers to align product development with their brand positioning, channel strategies, target consumers and core value propositions and to identify clear selling points and differentiation strategies. In respect of our OBM business, we respond directly to consumer needs and shape our product roadmap based on our proprietary brands' positioning and evolving consumer preferences. For example, under our brand *Bi Le* (比樂), we design and develop multi-dimensional nutrition product portfolio in line with market demand and continuously introduce new products to address a broad range of consumer needs.

We have established a multi-tiered R&D framework: (i) application-oriented development, focusing on product commercialization and optimization; (ii) pipeline development, converting research outcomes into future product pipeline; (iii) front-end research, focusing on exploratory development of ingredients, formulae and production technologies. This long-term R&D framework, together with our forward-looking insights into market needs and our strong capability to align product development with such needs, provides a solid foundation for rapid commercialization of our R&D outcomes. Many of our innovative products have received strong market recognition.

We have cultivated industry-academia-research collaboration

We actively engage in R&D collaborative projects with academic and research institutions. We have established research partnerships with more than ten universities, including College of Animal Sciences of Zhejiang University (浙江大學動物科學學院), College of Veterinary Medicine of Nanjing Agricultural University (南京農業大學動物醫學院), College of Animal Sciences & Technology of Huazhong Agricultural University (華中農業大學動物科學技術學院), College of Animal Science and Technology of Yangzhou University (揚州大學動物科學與技術學院) and College of Animal Science of Anhui Science and Technology University (安徽科技學院動物科學學院). Through these collaborations, we have developed an market-oriented innovation-driven R&D model that creates synergies between the industry, the academia and the research institutions.

Through collaboration with research institutions, universities and other R&D partners, we precisely address the pain points of our customers and strengthen our key competitive advantages. These forward-looking R&D collaborations enable us to enter into targeted research areas such as pet joint health, digestive health and weight-management recipe at an early stage. Meanwhile, we grow our technology base to continuously respond to customer demand. In addition, our collaborative R&D efforts cultivate cross-disciplinary R&D talent with expertise in pet nutrition science and product development, forming a specialized talent pipeline suitable for our long-term development.

Intelligent Production Bases Setting Industry Benchmark and Laying a Solid Foundation for Rapid Delivery of Quality Products

Our intelligent production bases and advanced production equipment ensure product quality and production efficiency

Our intelligent production bases set a benchmark in the pet food industry. We are a pioneer in the adoption of Industry 4.0 strategy in 2017. In 2021, our Shanghai Fuzhi production base commenced operation as the first Industry 4.0 factory in the pet food industry, achieving end-to-end digitalization across our production processes. Moreover, we are the only company in China's pet food industry to participate in formulating the 5G Fully-connected Factory Evaluation Guidelines (5G全連接工廠評價導則）.

Our production bases benefit from three key advantages, including advanced production facilities, integrated production technologies and digitally enabled management with real-time visibility, which collectively ensure product quality and production efficiency.

Production facilities. We utilize globally advanced equipment, including extrusion machines for pet food with high fresh meat content, fully automated nitrogen-flushing packaging lines and intelligent palletizing robots, and operate an intelligent high-bay warehouse to store up to 6,000 tons of finished products.

Production technologies. We deploy technologies such as fresh meat direct-injection enzymatic hydrolysis processing technology (鮮肉酶解直投工藝) and clean-in-place (CIP) automated cleaning processing technology (CIP自動化清洗工藝) to ensure freshness and stability of formulae with high meat content. Our fully automated traceable packaging line with integrated coding system (全自動三碼一體同步溯源包裝線) assigns a code for each item across the production processes to track the production history of each batch and maintain effective quality control.

Management. We utilize an end-to-end supply chain system and a centralized data hub to support automated operation and visible track across production, warehousing and logistics processes.

Our well-established production base network and flexible production capabilities ensure reliable product delivery

Our diversified brand matrix and product categories present challenges for parallel production and efficient product delivery. Our well-established production base network and flexible production ensure on-time delivery and stable product quality.

We operated six production bases across Shanghai, Anhui and Fujian as of the Latest Practicable Date, forming a comprehensive production network. We have equipped multiple independent production lines for a wide-range of product categories, including Extruded Pet Food, Baked Pet Food, Freeze-dried Pet Food, Wet Pet Food and Fresh Pet Food. We are therefore able to manufacture products across diversed categories and undertake different projects concurrently. In addition, we adopt a flexible production model combining standardized processes with customized elements.

Strong Supply Chain Management, Efficient Warehousing and Logistics System and Comprehensive Quality Management Control Infrastructure

Our strong supply chain management capabilities support stability and diversity of raw materials

We source a wide range of raw materials, including meat, fats, fruits, vegetables, vitamins and minerals. For key raw materials such as chicken, beef and duck, we maintain long-term and mutually beneficial cooperation with leading Chinese meat suppliers to secure stable supply. For example, we have entered into a long-term strategic cooperation with one of Asia's leading white-feather chicken producers, which is also the only company in China with a proprietary breeding system for such chicken, to ensure stable and reliable supply. In addition, our production bases are located near the supplier's facilities, which ensure quality and timely supply of chickens and reduce transportation and management cost.

While meeting consumers' pursuit for value-for-money products, we can also address consumer demand for quality, nutrient-dense and diversed ingredients. Our high-end products incorporate quality ingredients such as salmon from Chile, mussels from New Zealand and krill oil from Norway to provide nutrients including Omega-3, Omega-6, astaxanthin and chondroitin. To ensure the diversity of our raw materials, we had established cooperation with over 300 suppliers and procured more than 1,000 types of raw materials sourced from approximately ten countries as of the Latest Practicable Date.

Our well-structured warehousing and logistics system enhances operational efficiency

Our customers span across China. Warehousing and logistics have therefore become one of the key processes affecting our service quality. We have established a grid-based warehousing network that provides nationwide coverage, with core facilities located in Shanghai, Hunan and Anhui. Such deployment fulfills comprehensive coverage of regions including East China, Central China and South China, flexible resources allocation and quick response to customer needs. It also optimizes transportation routes as we typically ship products from the warehouse closest to the customer, achieving effective cost control.

Our warehouses are equipped with modern technologies, including precise temperature and humidity control and pest-prevention measures, to effectively reduce quality risks. We also deploy advanced technologies to maximize utilization of our warehouses. In addition, our digitalized management system enables real-time monitoring of activities across all warehouses, enhancing operational efficiency.

Our comprehensive quality management infrustructure ensures product safety and quality

We proactively align our practices with international standards and have integrated ISO 22000 (Food Safety Management System), HACCP (Hazard Analysis and Critical Control Points) and the BRC Global Standard for Food Safety into our operations, to establish a comprehensive quality management system covering the entire process including raw material procurement, production and processing, warehousing and logistics, and delivery to business customers and consumers. Our professional quality control team utilizes advanced testing laboratory to precisely test and monitor our products for microbial load, pesticide and veterinary drug residues, concentration level of heavy metals and standard nutritional components. This enables us to maintain effective operation of our quality management system and supports the safety and quality of our products.

Our Well-Established Sales Network Underpinning Brand Recognition and Customer Trust

Our ODM business primarily collaborates with well-known brands in the pet food industry. Leveraging our strong R&D capabilities, we are able to respond to customer need in a timely and precise manner and develop a wide range of product categories for them. Supported by our robust production capacity and stringent quality control capabilities, we provide customers with safe, reliable and quality products. Our products and services have been highly recognized by our customers. During the Track Record Period, we received multiple awards, including the "Annual Excellence in Supply Chain Award (年度優質供應鏈大獎)" at the 2025 Pet Fair Asia Award (2025亞寵展年度大賞) and the "Annual China Pet Brands (年度中國質造大獎)" at the 2022 Pet Fair Asia Awards (2022亞寵展年度大賞).

Our OBM business covers both online and offline sales channels and adopts a combination of distribution and direct-sales models. For online sales, we operate official flagship stores on major e-commerce platforms and promote our products through livestreaming and collaborations with key opinion leaders (KOLs) on e-commerce and social media platforms. For offline sales, we collaborate with regional distributors, pet specialty stores and pet hospitals, participate in industry exhibitions and host pet-care seminars and pet owner community events to advocate science-based pet-care concepts and enhance our brand. During the Track Record Period, our proprietary brands received awards including the 2025 Tmall Best Trend Award for Dog Food, the 2024 Tmall Most Influential Brand Award for Dog Food and the 2024 JD Rising Domestic Pet Food Brand Award.

Experienced, Pragmatic and Forward-looking Management Team

We have established a core management team led by our founder and comprising experts in pet related research, marketing and branding. The team possesses solid industry knowledge and extensive practical experience, and has developed a diligent, pragmatic and progressive working style. Our management members have substantial experience in their respective fields, covering key functions such as strategic planning, operational optimization, market expansion and technological innovation. Our founder, Mr. Wang Yingchun, has been working in pet industry and pet food manufacturing industry for over 25 years and is one of the early pioneers in China's pet staple food manufacturing industry.

Our management team adheres to a people-oriented philosophy, with a strong emphasis on cross-departmental collaboration and process optimization. By establishing clear division of responsibilities and efficient communication mechanism we ensure efficient and orderly business operations progress. The team prioritizes sustainable corporate development and advances innovation through prudent operation, which in turn provides a solid foundation for our long-term competitiveness.

OUR STRATEGIES

Continuously Enhance Global Sales Network

We had obtained market-entry qualifications in several overseas markets, and our products had successfully entered these markets and received strong recognition from local consumers. Leveraging our leading position in China's pet food industry and our experience in the expansion of the international business, we intend to actively participate in the overseas market competition. For our ODM business, we plan to continue developing international customers, increase overseas sales and further expand our global presence. For our OBM business, we aim to proactively explore overseas markets, broaden our international consumer base and enhance global brand awareness.

We plan to gradually expand our sales channels in regions such as East Asia, Southeast Asia and Europe, and establish overseas sales and service centers to support our international expansion. We also intend to recruit local marketing and sales personnel to provide customers with localized pre-sales and after-sales support. In addition, we will enhance our brand awareness and market presence by participating in major overseas trade exhibitions, promotional activities and industry forums.

Continuously Enhance Brand Recognition through Marketing and Promotion

We will continue to enhance our brand awareness, further optimize our proprietary brand portfolio and promote science-based pet-care concepts. By leveraging our diversified product matrix to precisely address consumer preferences, we aim to strengthen brand recognition among pet owners. We will continue to position core brands such as *Bi Le* (比樂) as strategic cornerstones and advance the development of our proprietary brands in a comprehensive and systematic manner.

We will continue to shape, convey and enhance our brand image through continuous product upgrades and marketing activities, including advertising on e-commerce platforms, with the aim of accelerating brand reach and increasing our market share. We will also strengthen strategic cooperation with major e-commerce platforms and further enhance brand awareness through refined flagship-store operations, active participation in platform campaigns, promotions led by KOLs and livestreaming sales events.

Continuously Enhance R&D Innovation to Improve Product Competitiveness

We will continue to invest in fundamental research on pet food formulae and innovation in nutrition formulation technologies, and further strengthen our product and technology R&D efforts. We aim to enhance R&D efficiency, reduce product development costs, shorten development cycles and accelerate the commercialization of R&D outcomes. While optimizing our product development processes, we intend to remain committed to ensuring product stability and consistency so as to maintain strong market competitiveness. We will also continue to deepen our collaboration with universities and research institutions to promote the integration of fundamental research with application research, and to accelerate the incubation and implementation of new concepts and new technologies in veterinary science, nutrition science and pet food development.

Strategically Upgrade Our Production Lines in Sustained Response to Market Demand

We will continue to pursue a market-oriented approach and strategically upgrade our production lines to optimize our intelligent manufacturing capabilities. To meet the increasingly diversified market demand and evolving consumer preferences for pet food, we plan to strategically upgrade our Shanghai and Anhui production bases. We intend to purchase and upgrade relevant production equipment, testing equipment and intelligent warehousing systems to transform our production bases in Shanghai and Anhui into leading smart factories. Such intelligent updates of our production bases will enhance our ability to produce a broader range of products and optimize our production efficiency, enabling us to better serve our business customers and consumers enhance our ability to produce a broader range of products. At the same time, we will continue to optimize production efficiency to serve customers with a higher level of intelligent manufacturing.

Continuously Strengthen Talent Team Development

We will further enhance our talent structure and strengthen our employee incentive mechanisms, building a well-structured and highly capable talent team to support our future development.

Talents for overseas expansion. We plan to develop a globally oriented team for overseas operation, aligned with the localization needs of our target markets. We plan to recruit talents with overseas marketing and sales experience from diver cultural backgrounds. Through such team development, we aim to gain deeper insights into the local market needs and consumer habits and achieve rapid expansion of our overseas sales channels.

Talents for R&D and management. We will continue to attract specialized R&D personnel with extensive experience in the pet industry, including research areas such as pet nutrition, veterinary science, animal behavior and good engineering. We also plant to recruit management talents with overseas operations experience and pet food industry expertise.

OUR BUSINESS MODEL

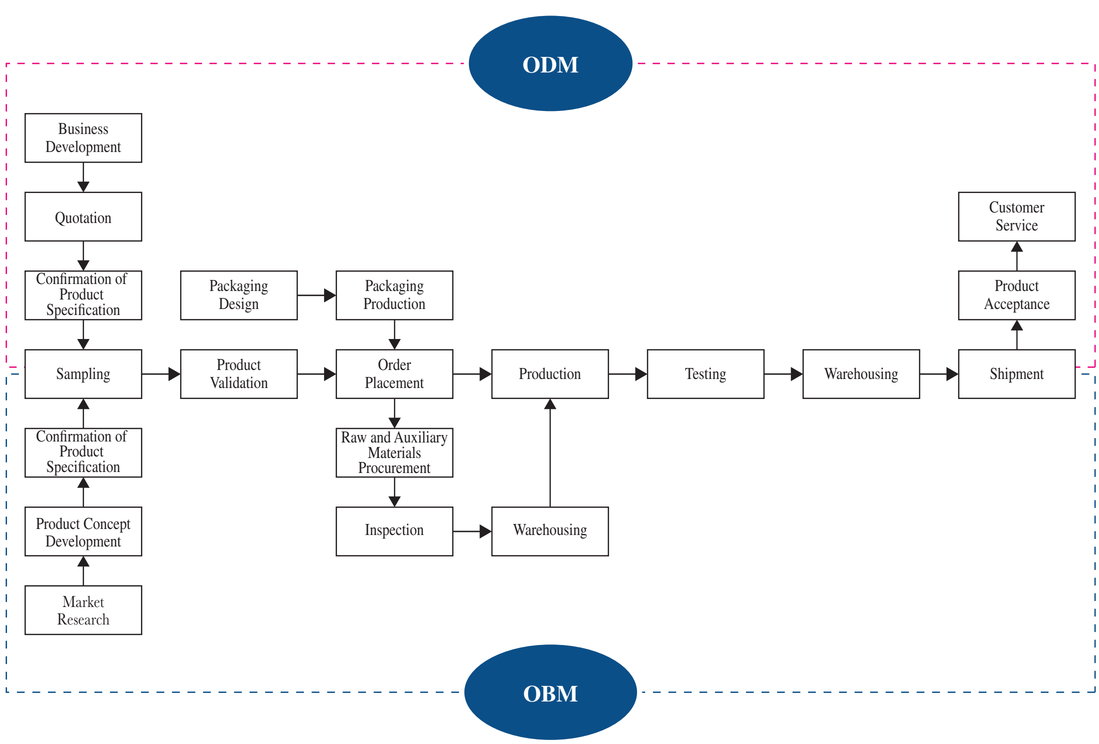
We are one of the few pet food manufacturers with both ODM and OBM operations. Through this dual business model, we serve both business customers and consumers with a product portfolio covering pet staple food and pet treats.

We offer pet food brands with ODM solutions spanning across the entire process from formula design to production. Our ODM solutions feature extensive product portfolio, advanced formula design, innovation following market trend, resilient supply chain and stringent quality control. During the Track Record Period, our revenue from the ODM business was RMB613.3 million, RMB624.5 million and RMB630.4 million in 2023, 2024 and 2025, respectively, which accounted for 58.6%, 60.4% and 61.7% of our total revenue for each respective year.

Our scalable and cost-efficient OBM business, led by our core brand *Bi Le* (比樂), has enabled us to expand into branded product lines. Our OBM business enables us to continuously gain insights into market trends and consumer needs, as well as gather useful consumer feedback. This supports us to continuously carry out targeted fundamental research, precise product development and efficient supply chain integration. Under our OBM business, we take a consumer-centric approach, designing and producing products that respond directly to the demand and preferences of pet owners. Guided by insights grounded in the consumer preferences drawn from market research and sales data, we continually introduce products to refresh our product portfolio and remain competitive. As of the Latest Practicable Date, we offered over 600 SKUs of pet food and other pet products under our OBM business. Our products have gained recognition among pet owners. During the Track Record Period, our revenue from the OBM business was RMB431.9 million, RMB403.9 million and RMB349.9 million in 2023, 2024 and 2025, respectively, which accounted for 41.3%, 39.1% and 34.3% of our total revenue for each respective year.

By combining the strengths of our ODM and OBM businesses, we are able to maintain a balanced strategy that strengthens our leadership position in the pet food industry while offering exceptional value to our business customers and consumers.

The following diagram illustrates our typical business process under both ODM business and OBM businesses:



The following table sets forth a breakdown of our revenue by business model for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
ODM business	613,279	58.6	624,499	60.4	630,391	61.7
OBM business	431,892	41.3	403,950	39.1	349,862	34.3
Others[1]	1,025	0.1	4,647	0.5	40,638	4.0
Total	**1,046,196**	**100.0**	**1,033,096**	**100.0**	**1,020,891**	**100.0**

Note:

(1) Others mainly include sales of (i) raw materials in 2023, (ii) raw materials, by-products, and sample production services in 2024; and (iii) chicken fat in 2025, which is a by-product generated during the production of chicken powder.

The following table sets forth our sales volume in ODM and OBM businesses for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		(tons)	
ODM business	46,139	46,391	47,485
OBM business	23,689	22,148	18,338

OUR PRODUCTS

We mainly design, produce and sell pet food for dogs and cats. We have cultivated a comprehensive product portfolio, primarily comprising (i) pet staple food, such as Dry Pet Food, Wet Pet Food and Fresh Pet Food; and (ii) pet treats.

The following table sets forth a breakdown of our revenue by product category for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Pet staple food	1,042,059	99.6	1,022,610	99.0	967,170	94.7
Pet treats	907	0.1	3,322	0.3	8,276	0.8
Others[(1)]	3,230	0.3	7,164	0.7	45,445	4.5
Total	**1,046,196**	**100.0**	**1,033,096**	**100.0**	**1,020,891**	**100.0**

Note:

(1) Others mainly include (i) raw materials and other pet supplies in 2023; (ii) raw materials, other pet supplies, by-products and sample production services in 2024; and (iii) chicken fat in 2025, which is a by-product generated during the production of chicken powder.

The following table sets forth the sales volume for our major products of ODM and OBM businesses for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		(tons)	
Pet staple food	69,587	68,221	65,393
Pet treats	7	107	271

Our Products under ODM Business

Grounded in our deep understanding of ODM customer demands, we offer a wide range of ODM solutions for quality pet food mainly including (i) pet staple food, such as Dry Pet Food, Wet Pet Food and Fresh Pet Food; and (ii) pet treats. We meet ODM customer needs through our robust R&D capabilities and customization expertise. Supported by a vertically integrated supply chain and intelligent production lines, we deliver consistent quality with rapid responsiveness, giving ODM customers flexible customization options from concept to finished product. This enables them to develop differentiated and competitive market offerings.

Our Brands and Products under OBM Business

We have evolved from a company primarily focused on ODM business into a market player with integrated ODM and OBM businesses. As of the Latest Practicable Date, we had three major brands under our OBM business model, namely, *Bi Le* (比樂), AIBEI (愛倍) and PINZOR (品卓). Each brand within our portfolio is meticulously tailored for its consumer groups, enabling us to effectively address the needs of diverse market segments. As of the Latest Practicable Date, our product portfolio encompassed more than 590 SKUs under these three major brands.

The following table sets forth key information of our major brands as of the Latest Practicable Date:

Brand	Year of brand trademark registration	Brand Positioning	Major Pet Food	Number of SKUs	Typical Suggested Retail Price Range for Major Pet Food
BILE 比乐	2007	High-end domestic pet staple food brand, featuring precise nutrition	Extruded Pet Food, Baked Pet Food, Freeze-dried Pet Food and Wet Pet Food	477	RMB320-530/ 10kg
AIBEI 爱倍	2006	Functional pet food for pets' healthcare	Baked Pet Food and Extruded Pet Food	85	RMB280-400/ 10kg
品卓™ PINZOR	2007	Quality and reliable pet food offering exceptional value for money	Extruded Pet Food	34	RMB120-170/ 10kg

The following table sets forth the breakdown of our revenue from the OBM business by brand for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Bi Le (比樂)	409,023	94.7	385,973	95.5	333,231	95.2
Other brands[(1)]	22,869	5.3	17,977	4.5	16,631	4.8
Total	**431,892**	**100.0**	**403,950**	**100.0**	**349,862**	**100.0**

Note:

(1) Other brands mainly include AIBEI (愛倍) and PINZOR (品卓).

Bi Le (比樂)

Leveraging our robust R&D and production capabilities, *Bi Le* (比樂) has built a solid market position for quality pet food. Driven by our research into market trends and deep insights into consumer needs, *Bi Le* features scientifically balanced nutrition and quality ingredients. With exceptional product performance, *Bi Le* has earned the trust and appreciation of a growing base of pet owners. *Bi Le* was the tenth largest domestic pet food brand, the ninth largest domestic pet staple food brand and the fifth largest domestic dog staple food brand in China, in terms of retail sales in 2025, according to Frost & Sullivan.

The product portfolio under *Bi Le* comprised four major product series as of the Latest Practicable Date, namely, (i) the Tiered Nutrition Series (分階營養系列), (ii) the Fresh Nutrition Series (鮮活營養系列), (iii) the Oriental Nutrition Series (東方營養系列) and (iv) the Balanced Nutrition Series (均衡營養系列). Each product series is meticulously tailored for its targeted nutritional needs of pets. As of the Latest Practicable Date, we offered 477 SKUs of pet food under *Bi Le*.

Tiered Nutrition Series (分階營養系列)

Through in-depth research on the nutritional needs of pets at different life stages, we have developed the Tiered Nutrition Series. This is a series offering precise nutrition and engergy, designed specifically for pets at different life stages, such as babyhood, adulthood and seniority. Products of this series contain quality protein as the primary energy source. The ratio of fat and carbohydrates is scientifically adjusted to meet the energy needs of pets at different ages, support weight management and maintain pets vitality. At the same time, fresh meat is used as the main ingredient in response to common pet health concerns. A variety of functional ingredients are also added to accurately support the nutritional needs of pets at different ages for long-term healthy companionship.

Babyhood

Young pets are in a rapid growth and development stage, requiring comprehensive and balanced nutrition as well as precise energy and nutritional support tailored to this stage. Therefore, we have specially selected a variety of quality Fresh Pet Food ingredients to provide puppies and kittens with high energy and essential nutrients to meet their specific growth needs. The specially added brewer's yeast as well as other raw materials in the formula are rich in B vitamins and prebiotics, which support immunity and help maintain gastric health. The specially added cheese is rich in various minerals such as calcium, iron and zinc, which promotes bone development and helps young pets grow healthily.

Adulthood

Adult pets require comprehensive and balanced nutrition to maintain a healthy body and daily vitality. Therefore, we scientifically customize formulae based on the specific energy needs of dogs and cats of different sizes: for small adult dogs, we use chicken, salmon and lamb, with added brown algae, goji berries and honeysuckle to promote skin and coat health and help alleviate tear stains; for medium and large adult dogs, we select duck, salmon and lamb, with specially added brown algae and green-lipped mussels to support skin and coat health and enhance joint flexibility; for adult cats, we select fresh chicken and salmon, combined with oat grass and brown algae, to support skin and coat health and addresss hairball control needs. A blend of freeze-dried and bonito flake-coated kibble is also specially added to enhance palatability. Formulae for adult pets focus on maintaining pets health and wellness.

Seniority

We focus on the characteristics of different age stages of senior pets, and pioneered the innovative concept of "Senior Dog Stage-Specific Food (老年犬分階寵食)". The overall formula uses fresh meat as the main ingredient, supplemented with a variety of fruits and vegetables. It also features a scientifically balanced blend of fortified nutrients and metabolic regulators. Furthermore, to address the different nutritional needs of dogs in their early, mid and late stages of aging, we have added core nutrients and utilized innovative soft-particle technology to provide health care.

- **Early-stage aging (small dogs between 7 and 9 years old, medium-sized dogs between 6 and 8 years old, large dogs between 5 and 7 years old).** As dogs enter early-stage aging, oral and digestive problems become more prominent. In this regard, we have specially added tea polyphenols and β-1,3-D-glucan to help maintain oral and digestive health, supplemented with fresh meat and a variety of fresh fruits and vegetables to achieve protection for early-stage aging, helping them stay active and healthy throughout their early senior years.

- **Mid-stage aging (small dogs between 10 and 13 years old, medium-sized dogs between 9 and 13 years old, large dogs between 8 and 11 years old).** As dogs enter mid-stage aging, immunity and heart problems become more prominent. In this regard, we have specially added hydrolyzed pork heart powder containing coenzyme Q10 and plasma protein powder to support immune system and heart health, supplemented with fresh meat and a variety of fresh fruits and vegetables to help mid-senior dogs remain comfortable and vital.

- **Late-stage aging (small and medium-sized dogs over 13 years old and large dogs over 12 years old).** As dogs enter late-stage aging, brain and joint problems become more prominent. In this regard, we have specially added L-carnitine, turmeric and casein calcium peptides to protect the brain and joints; we have also added goat milk and lactoferrin to further supplement calcium to strengthen immunity, supplemented with fresh meat and a variety of fresh fruits and vegetables to help dogs maintain brain vitality and liveliness during late-stage aging.

We have adopted an innovative technology producing steamed soft food for senior dogs, and provide product offerings with feeding combinations tailored to different aging stages of senior dogs, such as a combination of crispy and soft food or a combination of fresh and soft food (酥軟搭配、鮮軟組合), so that senior pets at different ages can eat and digest easier, extending the time pet owners can spend with their beloved pets.

Fresh Nutrition Series (鮮活營養系列)

This product series consists of functional staple food with high fresh meat content. It aims to provide targeted nutritional support to pets at different growth stages, addressing key health needs such as digestive support, tear stains control, joint relief, coat condition and weight management. This series features a formula containing high fresh meat content and functional nutritional blends, offering both delicious taste and specific health benefits. Relying on the proprietary three-layer coating technology for freshness preservation, it effectively preserves the original nutrients of the food ingredients.

Complete duck meat and pear dog staple food (全價鴨肉梨犬糧) is our signature product under this series. Formulated with a blend of anti-inflammatory ingredients, including fresh duck, fresh pear, mung beans, cassia seeds, chrysanthemum, dried orange peel and dandelion, this recipe contains approximately 54% fresh duck and 10% fresh pear, with nutrients and fats preserved through a proprietary triple freshness-locking technology. It incorporates patented probiotic 531 (Bifidobacterium animalis BAL531) alongside prebiotics MOS (mannan-oligosaccharides) and FOS (fructooligosaccharides), which work together to enhance pepsin digestibility, and is further enriched with six varieties of freeze-dried inclusions to improve overall palatability.

Oriental Nutrition Series (東方營養系列)

Drawing on in-depth insights into the local market needs and research on the physical traits and flavor preferences of oriental pets, we launched the Oriental Nutrition Series, integrating traditional Chinese dietary wisdom with modern pet nutrition science. With a focus on "homology of medicine and food (藥食同源)" and "gentle nourishment (溫和滋補)," this series adopts distinctive oriental food ingredients, providing nutritious and nourishing solutions to address common wellness need of modern pets. As of the Latest Practicable Date, we had two main sub-series under this series, namely the Feast Series (饗系列) and the Diet Series (膳系列).

<u>Feast Series (饗系列)</u>

For this series, we carefully select landmark ingredients such as lamb from Ningxia, Qingyuan chicken from Guangdong and yak from Qinghai, aiming to preserve the natural flavor of ingredients. The formula is supplemented with approximately 10% freeze-dried raw meat and bone, featuring enhanced palatability. The product integrates herbal plant extracts such as perilla, plantain seed and purslane, combined with probiotics, and is produced with advanced enzymatic hydrolysis technology to gently support digestive health and promote nutrient absorption.

Diet Series (膳系列)

This series is built around scientifically balanced formulae, carefully calibrated to the natural metabolic needs of dogs and cats by adjusting protein, carbohydrates and fats to an energy ratio of 2:1:1, achieving dietary balance that aligned more closely with their physiological structures. Natural ingredients are rigorously selected and specially formulated with prebiotics and ingredients with health benefits, such as turmeric, providing dual support for gastric microbiota and promoting nutrient absorption.

Balanced Nutrition Series — Guardian Angel (均衡營養系列 — 守護天使)

This series focuses on developing nutritionally balanced diets for dogs and cats, aiming to provide complete and balanced formula food that meet pet owners' demand for quality pet nutrition. Based on scientifically proportioned ingredients and target consumer needs, we have established sub-series: Silver Label (銀標), Gold Label (金標) and Black Gold (黑金).

Below sets forth our signature products under this series.

Duck meat and pear dog food (鴨肉梨犬糧)

Through a scientifically balanced blend of diverse ingredients, we pair natural fresh duck meat with fresh pear to alleviate tear stains. The product is enhanced with prebiotics and brewer's yeast powder to balance gastric microbiota and strengthen immunity. The product is complemented with chicken floss and fruit-and-vegetable treats for a nutritious and delicious meal.

Salmon and fish oil cat food (三文魚魚油貓糧)

We pair natural salmon with fish oil to support skin and coat health. The product is enhanced with prebiotics and brewer's yeast powder to balance gastric microbiota and help strengthen immunity. The product is complemented with bonito flakes and fruit-and-vegetable treats for supporting pets health.

Other Brands

To seize the expanding market opportunities, we have developed a diverse brand portfolio to offer a comprehensive range of products. Other than *Bi Le*, our brand portfolio mainly includes AIBEI (愛倍) and PINZOR (品卓).

Since its inception, AIBEI has been guided by pets' health needs and consumers' experience, and dedicated to improving and solving pets' physical and wellness challenges. It has launched a number of functional pet food products caring for pets' digestive health.

Since its establishment, PINZOR has adhered to the principle of promoting animal welfare, supporting stray animal rescue initiatives. In line with this mission, PINZOR provides safe, reliable and high-value pet food, upholding the highest standards of quality.

RESEARCH AND DEVELOPMENT

R&D are central to our product competitiveness. Through our R&D capabilities in pet nutrition, formula development, product testing and process improvement, we translate market insights into product innovation, portfolio upgrades and commercial launches. Our R&D capabilities are supported by standardized data collection, long-term research and data tracking, and collaboration with academic and research institutions. We continuously advance our R&D capabilities to develop pet food with precise nutrition and enhanced safety. In 2020, we set up the industry's first pet food expert workstation, gathering leading pet food R&D experts. In 2023, we established one of Asia's largest single-site pet R&D bases which can support multidimensional R&D activities simultaneously, including research on nutrition needs of dogs and cats throughout their lifecycles, pets behavior analysis and development and validation of functional products. In 2025, we obtained the Laboratory Animal Use Permit. We were the first company in China's pet food industry to obtain such permit for dogs and cats research, and the only such company, as of the Latest Practicable Date, according to Frost & Sullivan. As of the Latest Practicable Date, we owned 132 patents in China and had led or participated in the formulation of 12 national, industry and association standards, contributing to healthy and sustainable development of the industry and overall enhancement of compliance level in the industry.

R&D Capabilities

We have built an experienced R&D team with expertise in animal science such as nutrition and feed science, as well as, basic veterinary medicine, and food engineering. As of December 31, 2025, our R&D team had more than 30 members, over 50% of whom held a master's degree or above. Supported by our R&D team, we continuously upgrade our existing products through technological innovation and optimize our product portfolio to strengthen our market position.

We focus on R&D in nutrition and health solutions, including digestive health, urinary health, hypoallergenic products and a feeding solution for senior pets. We have led or participated in the formulation of national, industry and association standards such as the Hygiene Standards for Pet Feed (Food) (寵物飼料(食品)衛生標準), the Technical Specification for Production Quality Control of Extrusion Pet (Dog and Cat) Feed (擠壓膨化固態寵物(犬、貓)飼料生產質量控制技術規範), the Complete Pet Food — Technical Specifications for Baking Processing (全價寵物食品烘焙加工技術規範), the General Technical Specifications for Complete and Balanced Fresh Pet Food (全價寵物食品鮮糧通用技術規範). These efforts support product diversification, quality improvement and regulatory compliance across the pet food industry.

Fubei Research Academy (福貝研究院)

Established in 2019, our Fubei Research Academy has been dedicated to R&D for high-end pet food. Its research covers nutritional and functional needs of cats and dogs at different life stages, with a focus on physiological basis for pet nutrition. We have built proprietary datasets on pet behavior, social interaction, feeding habits and health conditions, which support our product development and validation. Fubei Research Academy focuses on eight functional areas, including growth and developmental support, immune enhancement, digestive health, joint health, cardiovascular health, weight management, cognitive support and skin and coat health. Based on these areas, we have developed a range of functional pet food products, such as digestive health diets, weight-management diets, immune-support diets and urinary-health prescription diets. Fubei Research Academy also supports ingredient and processing innovation. We have developed ingredients that support urinary and renal health, as well as prebiotics with anti-inflammatory and antioxidant properties that assist in weight management and liver health. Through continuous research into processing technologies and equipment, we have launched a variety of staple food, including Wet Pet Food and Fresh Pet Food, which help preserve nutritional components more effectively while enriching our product offerings.

Fubei Pet R&D Base (福貝寵物科研基地)

Our Fubei Pet R&D Base in Anhui is one of Asia's largest single-site pet R&D bases, according to Frost & Sullivan. It supports research on the nutritional needs of dogs and cats at different life stages, pet behavior analysis and products performance testing. It also enables the development, validation and assessment of functional products through product trials and data collection, helping shorten the R&D cycle from concept to launch. Our studies are conducted under stringent ethical and regulatory oversight, and focus on improving pet health and product safety. Key research areas include palatability testing, nutritional safety assessments and the development of functional diets. By employing standardized methods, we validate formulae for nutritional adequacy, safety and functional targets, supporting the development of pet food products for needs such as weight management and healthy aging. For more details about our animal welfare and ethical standards, see "— Environment Matters and Social Responsibility — Ethics in Relation to Laboratory Animal."

R&D Collaborations

We maintain close collaborative partnerships with multiple leading universities specializing in pet nutrition, health and other related fields, including College of Animal Sciences of Zhejiang University (浙江大學動物科學學院), College of Veterinary Medicine of Nanjing Agricultural University (南京農業大學動物醫學院), College of Animal Sciences & Technology of Huazhong Agricultural University (華中農業大學動物科學技術學院), College of Animal Science and Technology of Yangzhou University (揚州大學動物科學與技術學院) and College of Animal Science of Anhui Science and Technology University (安徽科技學院動物科學學院). These collaborations span both fundamental and application research in pets and pet food. In the area of innovative ingredients, we also conduct research on the nutritional and health needs of pets. By selecting and using different nutritional compositions during our R&D process, we are able to develop innovative pet food formulae tailored to pets under different physiological conditions, addressing specific health needs and more precisely meeting market demand. We have also entered into agreements with universities to establish joint internship bases and talent-cultivation programs. These initiatives are designed to nurture the pet-nutrition researchers by combining academic supervision with industry-based training.

The salient terms of our standard R&D collaboration project contracts with universities during the Track Record Period are set out below:

Duration . . . . The term of the agreements typically ranges from one to five years.

Payment and delivery . . We are responsible for timely payment, providing animal experimentation bases as research facilities and animals for experimental use. Both parties agreed on a fixed consideration. Typically, the initial payment is made within 30 days upon signing with subsequent payments made annually, subject to our assessment of R&D deliverables.

Universities are responsible for delivering the agreed-upon deliverables as specified in the contract, communicating project progress periodically and completing the project within the prescribed time.

Quality control . . . . The project results shall meet the agreed specifications. Furthermore, if the university identifies any circumstances that could reasonably lead to the experimental results falling short of expectations, it shall provide prior written notice and implement appropriate measures to mitigate potential losses. All R&D deliverables shall conform to the predefined standards under the contract. In the event that such standards are not met, the R&D project shall remain active until full compliance with the delivery criteria is achieved. Only upon meeting these standards may the R&D project be formally concluded.

Confidentiality . . . . Without our prior consent, the university shall not process, transfer or disclose any confidential information as defined in the contract.

Intellectual Property . . Under the technology development cooperation agreement:

(i) for intellectual property generated solely by either party, ownership shall vest in that party;

(ii) for intellectual property jointly developed by both parties, the intellectual property shall be jointly owned, we generally have the right to independently publicize and use the jointly owned intellectual property and the other party shall not impose any restrictions on such use or require any payment from us. Neither party may transfer the jointly owned intellectual property to any third party.

	For technology development work commissioned by us, all intellectual property rights arising from such work shall be owned exclusively by us.
Termination	The contracts will be terminated automatically, save for the confidentiality obligations, upon completion of the right and obligation of both parties, or in other circumstances specified by law or the contract.

R&D Process

For our ODM business, given the highly customized nature of our products and solutions, our product R&D is primarily conducted in collaboration with our customers for specific projects based on their customization requirements.

For our OBM business, we center our R&D on consumer needs. We convert scientific findings into product designs through cross-functional collaboration. Depending on the product category and production technology, the full development cycle from initial concept to commercial launch typically takes four to six months. This R&D approach enables accurate responses to the market demand while maintaining nutritional standards and consistency across the product portfolio. Our R&D process typically encompasses the following steps:

Market and Consumer Research. Our product team analyzes category trends, unmet pet owners' needs and pets' palatability preferences to develop preliminary product concepts and carry out a feasibility study.

Technical Feasibility. Our R&D team assesses formula options based on our R&D, processing routes, raw material requirements, regulatory compliance and cost targets before initiating product development.

Sample Development and Validation. We typically produce an initial sample within one month, followed by about one to two months of rigorous testing under HACCP controls.

Production and Launch. Upon successful testing, we proceed with production in preparation for market launch.

PRODUCTION

We primarily relied on our in-house production capacity to ensure the quality of our products during the Track Record Period. We maintain stringent control over every stage of the production process, which is essential for product quality, safety and consistency.

Our Production Process

We have comprehensive production processes to ensure production efficiency and quality. We maintain strict control over every production process and closely monitor key steps to ensure precision and consistency. Moreover, our fully automated production model contributes to improved production efficiency. Our production process primarily covers the following categories: Extruded Pet Food, Baked Pet Food, Freeze-dried Pet Food, Wet Pet Food and Fresh Pet Food.

Extrusion

Our production of Extruded Pet Food is based on fully integrated, continuous and intelligent production lines that consistently deliver safe, shelf-stable and nutritious pet food. Fresh meat are blended with precisely milled dry ingredients and cooked and shaped under precisely controlled heat and pressure in the extruder. The cooked material is cut into uniform pieces. The material expands and turns into kibbles with consistent shape, density and texture. The kibbles are then dried and cooled in controlled environment to achieve moisture level suitable for storage. Subsequently, the kibbles are coated with fats and other heat-sensitive nutrients for enhanced palatability and nutrient quality. Finally, the products undergo sifting, metal detection, final inspection and packaging, ensuring consistent quality of every batch.

Baking

Our Baked Pet Food is produced through a carefully controlled baking process to ensure consistent product quality, palatability and storage stability. We begin by blending fresh meat and fats with selected ingredients to form a homogeneous mixture. The mixture is then precisely shaped to ensure consistent size and density. The shaped pieces are baked in ovens, where controlled heat and airflow remove moisture and achieve crunchiness. By carefully controlling oven temperature, conveyor belt speed and baking time, we ensure stable moisture level of the products, enabling storage stability and maintaining product quality. After baking, the products are cooled and coated with oils, palatants and other heat-sensitive nutrients for enhanced palatability. Finally, the products undergo sifting, metal detection and final inspection, ensuring consistent quality of every batch.

Freeze-drying

For Freeze-dried Pet Food, we have adopted production technologies to preserve raw-like nutrition in shelf-stable products. We begin by blending selected raw ingredients pursuant to product design. The material is ground and formed into uniform pieces, then quickly frozen to maintain its structure and preserve nutrients quality. The frozen pieces are then processed through vacuumed freeze-drying to achieve 2% to 5% residual moisture, creating a shelf-stable product. Each batch undergoes quality inspection. The finished products are packed in high-barrier packaging to help preserve their original flavor, taste and nutrients. The final product is lightweight, with a rich aroma, rapid rehydration and palatability.

Wet Pet Food Production

Our Wet Pet Food production is based on stringent raw material control and validated thermal processing to deliver safe and palatable products with reliable shelf life and balanced nutrition. Fresh meat is received and stored under controlled condition. The meat undergoes quality inspection and is stored under chilled conditions to maintain freshness. Ingredients then pass through metal detection before being minced to achieve a consistent texture. They are then blended with vitamins, minerals and other ingredients with health benefits into a precise ratio. The mixture is emulsified to turn into base materials with smooth and uniform texture and stable formula. Under controlled filling conditions, the product is filled into cans, pouches or trays and then sterilized in retort systems. By carefully controlling time and temperature, we thoroughly eliminate harmful microorganisms to secure shelf stability under room temperature. After cooling, each batch undergoes metal detection, final inspection and packaging.

Fresh Pet Food Production

Our Fresh Pet Food production features mild processing of fresh raw materials and a full-chain cold storage system. We primarily use fresh meat, vegetables and fruits as ingredients. The production process begins with careful ingredient selection. Pre-processed fresh meat is fully blended with fruits and vegetables based on the science-based formula. The mixing process is carried out at temperatures below 15°C to ensure temperature of the ingredients within the specified range and to produce a homogeneous mixture. The mixture is then filled and sealed, and undergoes metal detection to identify potential contaminants. Upon passing detection, the product enters into the mild sterilization stage. By precisely controlling key sterilization parameters, including temperature, duration and pressure, we are able to effectively eliminate pathogenic microorganisms and ensure microbiological safety while preserving nutrient to the greatest extent possible.

Our Production Technologies

Technologies are at the heart of our production advantages. According to Frost & Sullivan, we have established the first Industry 4.0 factory in China's pet food industry, markedly improving efficiency, precision and consistency in production. We continue to implement intelligent upgrades to our production bases, progressively introducing new technologies and technical processes.

Three-layer Coating Technology for Freshness Preservation

Leveraging our proprietary patents, our three-layer coating process is applied to each kibble to help preserve freshness, nutritional components and flavor. The first coating incorporates quality animal fats, such as chicken fat and fish oil, and natural flavor materials. This not only provides essential fatty acids required for pet nutrition but also enhances palatability. The second coating introduces ingredients with health benefits and heat-sensitive components. The third coating comprises a unique layer of antioxidants, including mixed tocopherols, to actively combat oxidation and ensure quality. This innovative approach ensures maximum freshness, palatability and stable quality of products to the greatest extent possible.

Fresh Meat Enzymatic Hydrolysis Technology

Our self-developed fresh meat enzymatic hydrolysis technology uses exogenous proteases under mild conditions to hydrolyze proteins in fresh meat into small peptides and amino acids. This process operates at relatively lower energy consumption and enables targeted protein breakdown. It also generates taste-active peptides and amino acids. This technology helps pets to digest and absorb protein easier and enhances product palatability through offering a more natural and well-developed flavor. Unlike conventional acid or alkaline hydrolysis, it minimizes undesirable by-products and creates a complex and natural flavor, resulting in an enhanced taste that offers pets better experience.

Extrusion Fresh Meat Slurry Injection Technology

Leveraging self-developed production facilities, our extrusion fresh meat slurry injection technology uses a high-precision dosing system to introduce fresh meat slurry directly into the preconditioner of extruders under non-denaturing temperatures, effectively preventing nutrient loss caused by high heat. By employing techniques such as fresh meat emulsification or enzymatic hydrolysis, the fresh meat is ground into smooth and uniform slurry. During processing, high-speed shearing alters the meat's structural composition, creating a smooth and uniform creamy texture that improves even distribution of nutrients and enhances digestibility. The inclusion of high fresh meat boosts the nutritional value and palatability of pet food. Compared with traditional extrusion process with lower fresh meat inclusion levels, this technology enables a higher incorporation of fresh meat into the formula, supporting product differentiation.

Vacuumed Chopping and Emulsification Technology

Vacuumed chopping and emulsification technology is a modern processing technique to cut, mix and emulsify meat and auxiliary ingredients in a sealed vacuum environment, using high-speed chopping equipment, producing a uniform and stable meat emulsion. Liquid nitrogen is injected during the processing stage to control temperature increases of the material. Relying on our production equipment incorporating proprietary patented technologies, we can operate under vacuum to minimize oxygen exposure, preventing fat oxidation and discoloration caused by myoglobin oxidation. At the same time, air trapped between meat particles or introduced during mixing is removed at an early stage, creating a dense and bubble-free emulsion. This contributes to improved texture and supports overall product quality.

Our Production Capacity

We have developed comprehensive production capabilities, enabling us to fulfill production needs of ODM customers and our proprietary brands. We continuously optimize production processes, enhance operational efficiency and maintain stringent quality control for our production bases. As of the Latest Practicable Date, we operated six production bases in China, including (i) Shanghai Fubei Production Base (上海福貝生產基地), (ii) Xuancheng Fubei Production Base (宣城福貝生產基地), (iii) Fuzhi Production Base (福智生產基地), (iv) Fuxin Production Base (福新生產基地), (v) Fujia Production Base (福佳生產基地), and (vi) Fuyuan Production Base (福源生產基地), with a total gross floor area of 146,922.73 sq.m. We have equipped multiple independent production lines for a wide-range of product categories, including Extruded Pet Food, Baked Pet Food, Freeze-dried Pet Food, Wet Pet Food and Fresh Pet Food. We are therefore able to manufacture products across diversed categories and undertake different projects concurrently. In addition, we use our production base in Fuyuan to produce chicken powder, one of the key raw materials for pet food production. We have entered into a long-term strategic cooperation with one of Asia's leading white-feather chicken producers for stable and reliable supply of chickens for chicken powder production. This demonstrates our enhanced control over the quality of key raw materials and our ability to integrate production with supply chain management.

The following table sets forth the key information of our production bases as of December 31, 2025:

Production Base	Location	Operation Commencement Date	Major Products	Gross Floor Area
				(sq.m.)
Shanghai Fubei Production Base	Shanghai	2005	Extruded Pet Food	6,000.00
Xuancheng Fubei Production Base	Xuancheng, Anhui	2015	Extruded Pet Food	10,974.99
Fuzhi Production Base . .	Shanghai	2021	Extruded Pet Food	31,423.29
Fuxin Production Base . .	Xuancheng, Anhui	2024	Baked Pet Food, Freeze-dried Pet Food and Wet Pet Food	75,139.36
Fujia Production Base . .	Xuancheng, Anhui	2024	Extruded Pet Food	17,648.33
Fuyuan Production Base .	Pucheng, Fujian	2024	Chicken powder and chicken fat	5,736.76

The following table sets forth the details of the designed production capacities, actual production volume and utilization rates of our production bases for the years indicated:

	Year ended December 31,								
	2023			2024			2025		
Product base	Designed production capacity$^{(1)}$	Actual production Volume	Utilization Rate (%)$^{(2)}$	Designed production capacity$^{(1)}$	Actual production Volume	Utilization Rate (%)$^{(2)}$	Designed production capacity$^{(1)}$	Actual production Volume	Utilization Rate (%)$^{(2)}$
	(tons in thousands, except for percentage)								
Shanghai Fubei Production Base	8.4	7.7	91.5	8.4	6.0	71.9	8.4	4.4	52.1
Xuancheng Fubei Production Base	33.6	31.1	92.7	33.6	34.1	101.5	33.6	27.1	80.7
Fuzhi Production Base	40.3	17.1	42.4	40.3	18.7	46.4	40.3	17.6	43.7
Fuxin Production Base	–	–	–	3.7	0.3	7.2	14.8	3.0	20.1
Fujia Production Base	–	–	–	1.4	0.0	2.5	16.8	4.9	28.9
Fuyuan Production Base	–	–	–	3.2	1.7	52.6	19.4	12.4	63.8
Total	**82.3**	**55.9**	**67.9**	**90.7**	**60.9**	**67.2**	**133.3**	**69.3**	**52.0**

Notes:

(1) The designed production capacity for the year is an estimate of the production volume for the production base, based on the management's assessment of the amount of load that the production base is capable of processing on an annual basis. Specifically:

(i) for Fuxin Production Base where there were production facilities for Wet Pet Food, we assume that the production facilities for Wet Pet Food operate 10 hours per day, 280 days per year, and other production facilities operate 12 hours per day, 280 days per year.

(ii) for other production bases apart from Fuxin Production Base, we assume that the production facilities operate 12 hours per day, and 280 days per year.

(2) The utilization rate equals the actual production volume during the year divided by the designed production capacity for the same year.

The utilization rates of Shanghai Fubei Production Base decreased from 2023 to 2024, and further decreased in 2025, mainly because: (i) we allocated the production of certain products to Xuancheng Fubei Production Base, Fuzhi Production Base and Fujia Production Base during the course of implementing intelligent upgrades to our production lines; and (ii) we adjusted our product portfolio and the overall production volume of *Bi Le* products declined.

The utilization rates of Xuancheng Fubei Production Base and Fuzhi Production Base increased from 2023 to 2024, mainly because they undertook the production of certain products from Shanghai Fubei Production Base. The utilization rates of these two production bases decreased in 2025, mainly because we adjusted our product portfolio and the overall production volume of *Bi Le* products declined.

The utilization rates of Fuxin Production Base, Fujia Production Base and Fuyuan Production Base increased from 2024 to 2025, mainly because they commenced production respectively in October 2024, November 2024 and October 2024, and their utilization rates gradually ramped up.

In addition, the utilization rates of our Fuzhi Production Base remained relatively low during the three years from 2023 to 2025, mainly because: (i) the production base focused on high-end, fully automated product lines, with relatively lower ODM-driven order volumes; and (ii) we adjusted our product portfolio and the overall production volume of *Bi Le* products declined.

The following table sets forth the details of the designed production capacities, actual production volume and utilization rates by product type for the years indicated:

	Year ended December 31,								
	2023			2024			2025		
Product category	**Designed production capacity[1]**	**Actual production Volume**	**Utilization Rate (%)[2]**	**Designed production capacity[1]**	**Actual production Volume**	**Utilization Rate (%)[2]**	**Designed production capacity[1]**	**Actual production Volume**	**Utilization Rate (%)[2]**
	(tons in thousands, except for percentage)								
Pet staple food	82.3	55.9	67.9	87.0	59.2	68.0	112.4	56.6	50.4
Pet treats	–	–	–	0.4	0.03	8.3	1.6	0.3	19.7
Others	–	–	–	3.2	1.7	52.6	19.4	12.4	63.8
Total	**82.3**	**55.9**	**67.9**	**90.7**	**60.9**	**67.2**	**133.3**	**69.3**	**52.0**

Notes:

(1) The designed production capacity for the year is an estimate of the production volume for the production base, based on the management's assessment of the amount of load that the production base is capable of processing on an annual basis. Specifically:

(i) for pet staple food, we assume that the production facilities for Wet Pet Food operate 10 hours per day, 280 days per year, and other production facilities operate 12 hours per day, 280 days per year.

(ii) for pet treats, we assume that the production facilities operate 12 hours per day, 280 days per year.

(2) The utilization rate equals the actual production volume during the year divided by the designed production capacity for the same year.

Subcontracting

In line with market practices, according to Frost & Sullivan, we outsource certain production processes, such as production of Extruded Pet Food, to one subcontractor during the Track Record Period, which was an Independent Third Party. Our subcontracting fees amounted to RMB11.0 million, RMB7.6 million and RMB7.7 million for 2023, 2024 and 2025, respectively. By outsourcing selected production processes to qualified subcontractors, we achieve effective cost control and improve production efficiency. Raw materials are supplied to the subcontractor. The subcontractor operates strictly in accordance with our instructions without participating in decision-making or providing strategic input. They are responsible for timely delivery, product quality, and shall not disclose any information provided by us, including pet food formulae, to third parties without our prior consent. This confidentiality obligation survives termination or expiration of the subcontracting agreement. All subcontracted products are subject to stringent quality inspections by our quality control department. Since February 2026, we terminated the subcontracting agreement with the subcontractor and strategically turned to use our own production base instead.

Our Equipment

Major equipment and machinery used in the production of our pet food, includes pet food production equipment, intelligent warehousing equipment and packaging equipment. We regularly inspect and maintain such equipment and replace worn consumable parts and components. Our major production equipment and machinery have an estimated average useful life of ten years.

OUR SUPPLY CHAIN

Procurement

The raw materials used in our production primarily include meat such as chicken, duck, beef and fish, as well as fats, such as chicken fat and fish oil, vegetables and fruits, raw materials with health benefits, such as vitamins and minerals and packaging materials. During the Track Record Period, we primarily sourced raw materials from China and we did not purchase raw materials from countries and regions other than China directly.

Our procurement process includes the following stages:

- ***Supplier pre-qualification and market research.*** Prior to any procurement, our procurement team conducts market research and due diligence for suppliers, evaluating production qualifications, product quality, delivery capabilities, technical capabilities, pricing and service capacity. Based on these assessments, our procurement team sets out a white list of qualified suppliers. During our cooperation with the suppliers, we conduct periodic evaluation of their capabilities, promptly delisting any suppliers that fail to meet required standards.

- ***Procurement execution.*** For bulk agricultural commodities, our procurement team arranges reasonable bulk purchase plans in line with production needs and the market price movements of raw materials. For other raw materials, our procurement team selects suppliers from the white list, assessing them based on our raw material demand and through formal price assessment procedures. Upon completion of assessment, purchase orders are placed accordingly and procurement is executed.

- ***Order monitoring, inspection and receipt***. Following placing of purchase orders, our procurement and supply teams monitor order execution on a dynamic basis. Upon delivery, our inspectors in food quality center perform sampling inspection. The results are recorded into the supplier assessment system. Raw materials that pass inspection are transported to the relevant production facilities or stored in the appropriate warehouses.

The prices of our raw materials may fluctuate with market conditions, attributed to various factors, such as supply and demand and our bargaining power. To mitigate the risk of raw material price fluctuations, we have taken measures such as (i) maintaining reasonable safety stock for various raw materials; and (ii) establishing long-term cooperation with suppliers to ensure a stable and quality supply for key raw materials. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant shortage of raw materials supplies, and the raw materials provided by our suppliers did not have any significant quality issues.

Warehousing

As of the Latest Practicable Date, we had six self-operated warehouses and three warehouses operated through our cooperation with third-party warehousing and logistics service providers, and we had established a nationwide warehousing network covering locations such as Shanghai, Fujian Province, Hunan Province and Anhui Province. Our warehouse in Shanghai mainly covers the East China region. Our Changsha (長沙) warehouse in Hunan mainly serves the Central China and Southwest China regions. Our Xuancheng (宣城) warehouse in Anhui mainly supports South China, North China and other remote areas. Our multi-location warehouse layout provides greater flexibility and options for optimized transportation routes, enabling more precise alignment with regional turnover and delivery characteristics, and achieving optimal allocation of transportation capacity and routes. Furthermore, it allows faster response to market demand changes, improving our product replenishment efficiency and service timeliness.

Each self-operated warehouse is divided into areas for raw materials and finished goods. Raw-material inventories are maintained at defined safety-stock levels, while items that require greater freshness or are used less frequently are procured on a per-order basis. All warehouses are equipped with continuous temperature monitoring, humidity control and pest prevention measures for raw materials and finished goods. Our raw materials are stored in monitored storage conditions with controlled temperature and humidity to minimize the risk of food deterioration. Our finished products are placed in designated areas and labeled pursuant to their respective product lines and dates of production. Certain factory warehouses also feature refrigeration capabilities, effectively reducing quality fluctuation risks during storage and transportation, and ensuring long-term stability and controllability of raw material and product quality.

Inventory Management

We have implemented stringent inventory management measures to maintain a stable and optimal level of stock of our raw materials and finished products. We employ a make-to-order inventory management model to ensure the accurate supply of products aligned with market demand and avoid obsolete inventory. By reserving production capacity based on customer demand, we maintain optimal inventory levels and enhance operational efficiency. Our dedicated inventory management team employs a range of measures to oversee and control stock, including regular assets audit, monitoring and on-site stocktaking. These comprehensive practices enable us to maintain high standards of inventory performance and responsiveness to market needs.

Logistics

We partner with reliable third-party logistics service providers to operate a temperature-controlled cold chain that maintains frozen and chilled conditions during transportation. We set and implement stringent safety policies and quality control measures during transportation to ensure timely delivery and maintain the quality and freshness of our products and raw materials. The goods are packaged using insulating materials and appropriate refrigerants, with real-time temperature monitoring. This logistics arrangement helps ensure freshness, quality and safety, while tracing the transported goods and providing proof of delivery.

PET FOOD SAFETY AND QUALITY CONTROL

We place significant emphasis on the safety and quality of our products and hence implement strict quality control measures. We manage product quality across the entire process, from supplier selection, raw material inspection to production control, laboratory testing and customer feedback. We are aligned with ISO 22000 (Food Safety Management System), HACCP (Hazard Analysis and Critical Control Points) and the British Retail Consortium Global Food Safety Standard to manage food-safety risks systematically and deliver safe, compliant and consistent products.

Raw Material Quality Control

We have rigorous raw material inspection processes. Raw material quality control requires thorough arrival verification of supplier documentation, followed by sampling and inspection against defined acceptance standards for appearance, quantity, specifications and labeling. We classify raw materials into the following categories: accepted, conditionally accepted, returned or rejected. We record the inspection results in our quality management system. We set aside raw materials that do not meet the requirements. Furthermore, key raw materials are tested for compositional parameters, including protein, fat, moisture and microbiological indicators.

Production Inspection

We conduct inspections at every stage of the production process. Our on-site quality control maintains real-time oversight of people, machinery, materials, methods, environment and testing across the production line. The team performs routine sampling inspection for work-in-progress and semi-finished products. We monitor rectification through publishing Corrective and Preventive Action (CAPA) reports. Any products below the standard or operational deviation are promptly identified and segregated. The team also records and controls workshop's cleanliness, temperature and humidity to ensure product quality.

Finished Products Quality Control

Finished products undergo comprehensive testing by our laboratories for compliance with internal and national standards. We ensure product quality through stability test across the product shelf life and monitoring over production environment, including air quality, operators' hygiene condition and equipment cleanliness. We test approximately 20 to 30 batches daily. During the Track Record Period, we published monthly third-party quality test reports for our proprietary brand, *Bi Le*. These reports summarize test results of third-party independent laboratories, covering key safety, nutritional and quality parameters. We use them to track quality of each batch, identify quality issues, implement rectifications and improve our raw materials procurement, production and logistics processes. In addition, we may also engage leading third-party institutions to test on our products. We ensure our products quality and safety through regular tests for microbial load, pesticide and veterinary drug residues, concentration level of heavy metal and standard nutritional parameters. Approximately 40 to 120 batches are tested for each month. This robust and multi-layered testing framework ensures high standards for pet food safety and quality.

SALES, MARKETING AND CUSTOMER SERVICE

Our Sales Channels

ODM Business

We primarily serve as an ODM provider for leading pet food brands, offering solutions for pet food formula design, development and production. During the Track Record Period, our ODM customers primarily comprised Chinese leading pet food companies. In 2023, 2024 and 2025, our revenue from ODM business amounted to RMB613.3 million, RMB624.5 million and RMB630.4 million, respectively, representing 58.6%, 60.4% and 61.7% of our total revenue in the same years.

The salient terms of our typical ODM agreements with customers are set forth below:

Duration	The term of agreement is generally one to two years. The agreements may be renewed upon mutual consent.
Principal obligations of parties	We produce products according to the standard of the sample products as approved by the customers. We are responsible for providing raw materials, packaging materials or other ancillary materials.
Payment and credit terms .	We generally require prepayment by our customers.
Minimum purchase requirements	ODM customers are required to meet minimum purchase requirements above the specified weight thresholds for initial orders. Each subsequent order under the agreement is also required to exceed such thresholds.
Risk allocation	We generally bear the risks until the products are transferred out of our warehouse, after which the risks are transferred to our customers.
Quality assurance	We are responsible for ensuring that the product quality complies with the sample products approved by our customers. The customer may raise objection to the product quality within a specified period after receipt of the products.
Intellectual property rights arrangement	Customers' trademarks are for their exclusive use. All intellectual property rights arising from the production of the contracted products shall belong to the customers, unless otherwise agreed. Where the formula used in such products is provided by us, all intellectual property rights relating to that formula shall generally remain solely owned by us.

During the Track Record Period, our ODM customers did not materially breach our contract terms, and we did not have any material disputes with our ODM customers.

OBM Business

We sell our self-branded products through both direct sales and distribution channels to amplify our reach and achieve comprehensive market coverage. Our direct sales are mainly through online e-commerce platforms. Our distribution channels mainly include retailers and distributors. In 2023, 2024 and 2025, our revenue from OBM business amounted to RMB431.9 million, RMB403.9 million and RMB349.9 million, respectively, representing 41.3%, 39.1% and 34.3% of our total revenue in the same years.

The following table sets forth the breakdown of our revenue from OBM business by sales channels for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Direct Sales	152,399	35.3	149,011	36.9	156,878	44.8
Distribution	279,493	64.7	254,939	63.1	192,984	55.2
– Retailers	25,507	5.9	27,540	6.8	26,841	7.7
– Distributors	253,986	58.8	227,399	56.3	166,143	47.5
Total	**431,892**	**100.0**	**403,950**	**100.0**	**349,862**	**100.0**

Direct Sales

We have established a robust direct sales presence through our self-operated online stores on major e-commerce platforms such as Tmall and JD.com, and social media platforms, such as Douyin and Xiaohongshu. Our online stores serve as key showcases, fully presenting product competitiveness and highlights, allowing consumers to browse and complete purchase. Consumers can place orders directly in our online stores and complete transactions through integrated online payment channels. This online sales channel is crucial to our business growth, helping us nimbly adapt to the fast-changing market landscape while enabling precise and timely responses to consumer needs.

In 2023, 2024 and 2025, our revenue generated from direct sales under OBM business was RMB152.4 million, RMB149.0 million and RMB156.9 million, accounting for 14.6%, 14.4% and 15.4% of our total revenue in the respective years.

We have entered into agreements with e-commerce platforms and social media platforms to operate and manage our online stores. The following table sets forth a summary of the salient terms of our standard agreements with e-commerce platforms and social media platforms:

Duration and termination	The term of agreement is generally one year. The agreement may be renewed upon mutual consent.

Service scope . . . . The e-commerce platforms and social media platforms shall provide software services in relation to internet information services, credit system, deposit system management, secondary domain name services, platform transaction management and other services.

Service fees . . . . The e-commerce platforms and social media platforms generally charge us a service fee according to their public service fee schedule.

Code of conduct . . . . We are subject to the code of conduct of the e-commerce platforms and social media platforms. We shall follow the standard code of conduct regarding the scope of business, anti-bribery and anti-competition, confidentiality, consumer protection and data protection.

Termination . . . . The service agreements can generally be terminated upon prior written notice or in the event of a material breach.

During the Track Record Period, the e-commerce platforms and social media platforms we cooperate with did not materially breach our contract terms, and we did not have any material disputes with those e-commerce platforms and social media platforms.

Distribution

Retailers

We mainly cooperate with e-commerce platforms as our retailers, including Tmall supermarket and self-operated stores on JD.com, and we believe that the presence of our products at the well-known e-commerce platforms can enhance our brand exposure. We generated revenue from such retailers of RMB25.5 million, RMB27.5 million and RMB26.8 million in 2023, 2024 and 2025, respectively, representing 2.4%, 2.7% and 2.6% of our total revenue during the same respective year.

The following table sets forth a summary of the salient terms of our standard agreements with our retailers:

Duration and termination . . . . The agreement typically has a duration of one year. The agreements may generally be terminated by mutual consent or upon prior notice from one party. Either party is generally entitled to terminate the agreement in the event of the other party's material breach.

Pricing policy . . . . We generally provide recommended retail prices as guidance. We are entitled to adjust the pricing guidelines.

Payment and credit terms .	We generally deliver products before receiving payments from retailers. The retailers shall settle the payment with us (i) based on actual sales; and (ii) on a monthly basis. We generally grant a credit period from five to seven days to our retailers.
Minimum purchase requirements and minimum sales targets .	We generally do not set minimum purchase requirements or minimum sales targets for retailers.
Risk allocation	The risk of damage and obsolescence is on us after the consumers confirm receipt of our products.
Product return and exchange	We are required to deliver products to the e-commerce platform's warehouses as requested, and the title to the products remains with us until consumers make purchase and receive the products. The e-commerce platform can send back unsold products to us from their warehouses. During such process, the title to the products remains with us. In addition, we allow such return in the case where consumers are allowed to return or exchange the unopened products within seven days in accordance with certain retailers' policies.
Anti-bribery	We and retailers are typically prohibited from offering any improper benefits to the other party and their staff and should timely report any suspected violation of anti-bribery requirements.

During the Track Record Period, the retailers we cooperate with did not materially breach our contract terms, and we did not have any material disputes with those retailers. To the best of our knowledge, during the Track Record Period, all our retailers were Independent Third Parties.

<u>Distributors</u>

We believe that distributors play a vital role in brand recognition, increasing our visibility and credibility and enabling us to reach a broader consumer base. Our distribution sales channels comprise both offline and online distribution. In 2023, 2024 and 2025, our revenue generated from the sales through our distributors under OBM business was RMB254.0 million, RMB227.4 million and RMB166.1 million, accounting for 24.3%, 22.0% and 16.3% of our total revenue in each respective year.

The following table sets forth the movement in the number of our distributors for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Distributors			
Number at the beginning of the year	334	324	254
Number of distributors newly engaged	96	76	62
Number of distributors terminated	106	146	93
Number at the end of the year	**324**	**254**	**223**

In 2023, 2024 and 2025, we terminated business relationships with 106, 146 and 93 distributors respectively, primarily due to the active adjustments to our distribution strategy. We focused on optimizing our distributor structure by proactively reducing the number of distributors and prioritizing resources toward quality distributors. This approach has enhanced the quality of collaboration with key distributors, improving the overall stability and sustainability of our business operations. For details regarding distributor management, see "— Distributor Selection and Management."

In line with market practice, we primarily enter into standard distribution agreements with our distributors, which are sales and purchase agreements in nature. Under sales and purchase agreements, we have a buyer-seller relationship with distributors and recognize revenue when they accept our products upon delivery. Our primary distributors purchase our products and resell them under their own commercial identity, explicitly not acting as our agents or legal representatives. The following table sets forth a summary of the salient terms of our typical agreements with offline distributors:

Duration and termination	The agreement typically has a duration of one year. The agreement can be terminated upon contract expiration, mutual consent, or due to material breach. The agreement may be renewed upon prior written notice from our distributor.
Designated distribution area	We normally designate geographic distribution regions for each distributor for their offline sales activities, while any authorized all-channel distributors are not subject to geographic restrictions.
Pricing policy	We generally provide recommended retail prices as guidance.
Payment	We generally require distributors to make full payment prior to product delivery.

Minimum purchase requirements	We generally set the minimum purchase requirements for each batch for distributors. Typically, failure to place any purchase order with us for a specified period under the agreement will grant us the right to unilaterally terminate the agreement.
Minimum sales targets	We generally set minimum sales targets for distributors. In the event that the distributors fail to meet the minimum sales target within the agreed timeline, we are typically entitled to cancel their distribution rights. We may also, at our sole discretion, adjust the product pricing and shipping policies applicable to the distributors.
Rebates	We typically rebate a prescribed percentage of our distributors' annual sales, determined by the annual sales amount of our distributors, to the sales rebate pools. Balance of the sales rebate pool can only be used to offset the price for procurement of our distributors from us. As a precondition to enjoy such sales rebate, the distributor needs to achieve a prescribed sales target in given periods. We generally reserve the right to cancel any sales rebate in the event of material non-compliance with restrictions on sales channels. Distributors entitled to rebates must utilize them within the period specified in the distribution agreement and may redeem them only for the designated product lines. Any form of incentives, discounts or rebates shall not be counted toward the sales targets. According to Frost & Sullivan, such practices in relation to rebates are in line with industry practices. In 2023, 2024 and 2025, we offered rebates to distributors of RMB25.5 million, RMB35.2 million and RMB30.8 million, respectively.
Risk allocation	The distributors generally bear the risk of loss or destruction of the product after inspection and acceptance.
Product return and exchange	We generally do not accept product returns after delivery and acceptance, except for product defects. For products purchased directly from us, if the production date falls within two-thirds of the shelf life and the external packaging remains intact without affecting normal sales, distributors may submit an exchange request subject to our approval. In terms of non-quality-related exchanges, the quantity shall not exceed 1% of the purchase volume of a single order. According to Frost & Sullivan, such practices in relation to product returns are in line with industry practices.

During the Track Record Period, the distributors we cooperate with did not materially breach our contract terms, and we did not have any material disputes with those distributors.

Distributor Selection and Management

We apply rigorous distributor selection and management policies to ensure that our distributors are capable, efficient and well-resourced. Selection and renewal decisions are based on factors such as geographic coverage, operational scale, qualifications, market reputation, sales and marketing capabilities, financial strength and alignment with our brands. Distributor performance is regularly reviewed through ongoing evaluations and annual assessments. We also proactively manage distributors to ensure compliance with applicable laws and regulations, requiring adequate storage facilities, sales channel resources and adherence to our operational guidelines, including consumer management policies.

To the best of our knowledge, as of the Latest Practicable Date, all of our distributors were Independent Third Parties. To the best of our knowledge, there was no employment, financing or family relationship between our distributors and us during the Track Record Period.

Anti-Cannibalization Risk Management

We aim to establish transparent, mutually beneficial and effectively manageable relationships with our distributors. Any cross-channel sales among different sales channels and platforms without our prior consent are considered cannibalization. To minimize cannibalization among different sales channels, we typically adopt the following measures:

Product and channel differentiation management. We strictly implement a user-centered "product-by-channel" strategy. Based on the characteristics of each channel, including traditional offline channels, online sales channels and omnichannel distribution, we recommend tailored product portfolios by offering products in different specifications or prioritizing specific product lines. At the same time, we operate an anti-counterfeiting and channel diversion system that assigns a code for each product.

Sales channel management. Contracts with our offline distributors expressly incorporate clauses for sale region restrictions, granting such distributors exclusive rights within designated territories and clearly prohibiting cross-regional sales. We generally designate specific online sales channel in the contracts with our online distributors and conduct regular reviews of online distributors' activities to identify and address risks of cross-channel sales or channel conflict.

Market supervision management. In the process of developing our distributor network, we implement a strict distributor selection system and robust management protocols. Our team conducts regular on-site visits to verify inventory levels and reconcile accounts. In parallel, by leveraging shipment management records, we monitor unusual delivery addresses and large-volume orders in real time in order to track receipt and distribution status.

Market order management. Our distributor incentive policies consider not only sales volume but also market discipline and overall performance. We strictly penalize violations such as channel diversion or price disruption in accordance with our Market Order Management Measures across both online and offline channels, ensuring effective anti-cannibalization controls and a fair, orderly market environment. During the Track Record Period, no distributor engaged in severe channel cannibalization, and no distribution agreements were terminated due to such violations.

Channel Stuffing Risk Management

We strive to minimize the channel stuffing risks associated with our distributors primarily through the following measures: (i) we generally require prepayment or payment of deposit from distributors; (ii) we maintain a relatively stringent return policy for our distributors and generally do not allow returns of products sold to distributors unless there are product defects; and (iii) we implement appropriate ordering policies for distributors, particularly during new product launches, to address distributors' concerns by encouraging small-quantity orders for initial market testing and sales, helping to prevent channel stuffing of new products. For distributors with slow inventory turnover, we maintain appropriate inventory levels by cooperating with them in conducting marketing activities. We believe that these measures incentivize our distributors to maintain a reasonable level of inventory of our products and avoid channel stuffing.

Marketing

Our marketing integrates consumer insights, creativity and multi-channel engagement to build brand recognition and customer loyalty. We had selling and marketing expenses of RMB105.9 million, RMB119.3 million and RMB133.1 million in 2023, 2024 and 2025, respectively.

ODM Business

Under our ODM business, we actively participate in influential international pet industry exhibitions to present our product portfolio, R&D capabilities and advanced production technologies, attracting enterprise customers and leading brands worldwide. This exhibition-driven approach has enhanced brand awareness and generated a broad range of business leads. We offer one-to-one consultations to scope bespoke projects, including formula customization, packaging design and branding. We also provide samples, technical data and invitations for factory visits to facilitate rapid prototyping and co-development programs and convert opportunities into pilot runs and long-term ODM partnerships.

OBM Business

We build our brands through a mix of online and offline marketing activities.

Online Marketing Activities. We carefully select social media marketing channels that align with our brand positioning and deliver useful reach, collaborating with KOLs to promote products across multiple platforms through Douyin live streamers and Xiaohongshu lifestyle content creators. We are committed to building a brand image that is both relatable and distinctive, maintaining rigorous quality control over pet food products to enhance pet owners' trust in our brand through safe and reliable offerings. We also strengthen consumer communication by promoting science-based pet care concepts. For instance, our micro-variety show "The Journey to the Source (尋源記)" proactively breaks down information barriers surrounding pet food ingredients and addresses common pet owners' concerns, fostering industry transparency and sustainable development. Simultaneously, we deepen interactions and emotional connections with pet owners. This includes co-creating the "Dog Feeding Encyclopedia (狗狗餵養百科全書)" with Xiaohongshu to build a knowledge base, and launching initiatives like the "14-Day Feeding Plan (十四天餵養計劃)," "*Bi Le* Ten-Year Fresh Pet Plan (比樂十年鮮寵計劃)," and "Journey to Mountains and Seas Plan (奔赴山海計劃)" to share pet care experiences. Furthermore, to enhance brand awareness, we actively participate in nationwide promotions like 618 and Double Eleven shopping festivals to amplify our brand influence.

Offline Marketing Activities. We have established a multi-tiered and comprehensive brand engagement framework covering industry participation, channel development, consumer interaction and social responsibility, with a view to continuously strengthen brand influence and consumer connection. As a key participant each year, we consistently showcase our presence at large industry exhibitions, including Pet Fair Asia (亞洲寵物展覽會) and One Pet Show (它博會), solidifying our brand's position and industry influence within the pet sector. We also participate in offline marketing initiatives such as the "Asia Pet Business Academy (亞寵商學院)" and "Snail Store Roadshow Salon (蝸牛小店巡迴沙龍)" to strengthen and deepen our relationship with distributors and achieve win-win business growth, consolidating and expanding our core channel system. We consistently fulfill our social responsibilities by proactively organizing and participating in welfare activities including the "15-Year Plan (十五年計劃)" and "Spark Project (星火計劃)", continuously engaging in stray animal welfare to convey a warm and trustworthy brand image. In addition, we place significant emphasis on direct communication with consumers. We regularly organize offline experience and engagement activities nationwide to foster sincere and stable consumer relationships, and have achieved broad recognition and acceptance from consumers.

Customer Service

We prioritize customer experience and are committed to providing attentive and timely service to our business customers and consumers. To support both our ODM and OBM businesses, we have established a comprehensive after-sales service system that ensures prompt and efficient assistance. During the Track Record Period and up to the Latest Practicable Date, we did not receive any complaint that would have a material adverse effect on our business operations. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material product recalls and/or disputes and product liability claims due to the quality and food safety issues of our products.

We offer comprehensive customer services for ODM customers encompassing pet food formula design, sales and marketing, order processing, product delivery and after-sales services. We tailor our services to the needs of different ODM customers. We prioritize R&D collaboration and technical support to ensure that our ODM customers receive the depth of expertise required. We also conduct purchase-satisfaction surveys twice a year, complemented by routine sales follow-ups to capture feedback and drive continuous improvement.

Beyond transactional interactions, we emphasize long-term companionship with our consumers. Our professional team provides dedicated advisory services, delivering professional guidance and building emotional connections across diverse usage scenarios. We have established a comprehensive consumer profiling system which maintains key information such as pet birthdays, enabling tailored communications and care that further strengthen loyalty.

In addition, we manage consumer feedback through a clear, accessible complaints process on our official websites of our proprietary brands. Internally, mutual oversight mechanisms ensure transparent handling and timely escalation. Product related complaints are addressed under established management systems and procedures that classify issues, investigate underlying causes and implement targeted solutions. During the Track Record Period and up to the Latest Practicable Date, we did not experience any major consumer complaints on product quality or any product liability claims, product recalls or legal consequences, which, individually or taken together, resulted in a material and adverse effect on us.

PRICING

Our technology, finance and product teams work together to form pricing policies by taking into consideraiton raw material costs, production expenses, product complexity, the strength of customer relationship, order volume and market competitiveness. Throughout the year, prices may be adjusted based on negotiations with customers and market conditions.

We begin by determining the price range through market research on the target product category. This includes benchmarking comparable offerings, analyzing price bands and consumer segments in the market. Once a preliminary price range is defined, our brand and product team undertakes product positioning and demand forecasting. We then prepare detailed cost analysis, to finally determine a commercially viable price structure.

OUR CUSTOMERS

During the Track Record Period, our customers primarily comprised pet food brands as our ODM customers and e-commerce platforms as our retailers. Revenue from our five largest customers amounted to RMB435.3 million, RMB438.1 million and RMB374.0 million in 2023, 2024 and 2025, respectively, representing 41.5%, 42.4% and 36.6% of our total revenue in the same respective years. Revenue from our largest customer amounted to RMB218.0 million, RMB225.5 million and RMB182.6 million in 2023, 2024 and 2025, respectively, representing 20.8%, 21.8% and 17.8% of our total revenue in the same respective years. Most of our five largest customers during the Track Record Period were located in the PRC. For risks relating to our major customers, see "Risk Factors — Risks Relating to our Business and Industry — Our success depends on our strong relationships with certain major customers. Any interruption of collaboration or deterioration of the relationship with our major customers could adversely affect our business, financial condition and results of operations."

The following table sets out the details of our five largest customers by revenue in each year during the Track Record Period:

For the year ended December 31, 2023

No.	Customer's name	Sales amount	% of total sales	Product sold/Service rendered	Commencement of business relationship	Credit term	Method of settlement	Category
		(RMB'000)						
1	Customer A[1]	218,034	20.8%	Pet food	2017	Advance payment with the remaining balance paid upon invoice	Bank transfer	ODM
2	Customer B[2]	101,864	9.7%	Pet food	2017	Advance payment with the remaining balance paid upon invoice	Bank transfer	ODM
3	Customer C[3]	46,882	4.5%	Pet food	2019	Advance payment with the remaining balance paid upon invoice	Bank transfer	ODM
4	Customer D[4]	36,036	3.4%	Pet food	2019	Advance payment with the remaining balance paid upon invoice	Bank transfer or cheque payment (unless otherwise agreed)	ODM
5	Customer E[5]	32,480	3.1%	Pet food	2018	Advance payment with the remaining balance paid upon invoice	Bank transfer	ODM
	Total of top 5 customers	**435,296**	**41.5%**					

For the year ended December 31, 2024

No.	Customer's name	Sales amount	% of total sales	Product sold/Service rendered	Commencement of business relationship	Credit term	Method of settlement	Category
		(RMB'000)						
1	Customer A	225,498	21.8%	Pet food	2017	Advance payment with the remaining balance paid upon invoice	Bank transfer	ODM
2	Customer B	92,591	9.0%	Pet food	2017	Advance payment with the remaining balance paid upon invoice	Bank transfer	ODM
3	Customer D	51,655	5.0%	Pet food	2019	Advance payment with the remaining balance paid upon invoice	Bank transfer or cheque payment (unless otherwise agreed)	ODM
4	Customer E	35,373	3.4%	Pet food	2018	Advance payment with the remaining balance paid upon invoice	Bank transfer	ODM
5	Customer F[6]	33,016	3.2%	Pet food	2017	Advance payment with the remaining balance paid upon invoice	Bank transfer	ODM
	Total of top 5 customers	**438,133**	**42.4%**					

For the year ended December 31, 2025

No.	Customer's name	Sales amount	% of total sales	Product sold/Service rendered	Commencement of business relationship	Credit term	Method of settlement	Category
		(RMB'000)						
1	Customer A	182,551	17.8%	Pet food	2017	Advance payment with the remaining balance paid upon invoice	Bank transfer	ODM
2	Customer B	73,360	7.2%	Pet food	2017	Advance payment with the remaining balance paid upon invoice	Bank transfer	ODM
3	Customer E	40,369	4.0%	Pet food	2018	Advance payment with the remaining balance paid upon invoice	Bank transfer	ODM
4	Customer G[(7)]	39,543	3.9%	Pet food	2024	Around 30 days after monthly reconciliation	Bank transfer	ODM
5	Customer H[(8)]	38,225	3.7%	Pet food	2023	Advance payment with the remaining balance paid upon invoice	Bank transfer	ODM
	Total of top 5 customers	**374,048**	**36.6%**					

Notes:

(1) Customer A is a limited liability company headquartered in Zhejiang, China and a subsidiary of a public company listed on NASDAQ and Hong Kong Stock Exchange, primarily engaged in Internet retail and integrated consumer goods operations, offering lifestyle products through a self-operated and supply chain-integrated business model.

(2) Customer B is a limited liability company headquartered in Shaanxi, China, primarily engaged in the R&D, production and sale of pet food products under its proprietary brand.

(3) Customer C is a limited liability company headquartered in Guangdong, China, primarily engaged in the production and sale of pet food products and related supplies under its proprietary brand.

(4) Customer D is a limited liability company headquartered in Shanghai, China, primarily engaged in the design, development and sale of pet food and pet supplies under its proprietary brand.

(5) Customer E is a limited liability company headquartered in Zhejiang, China, primarily engaged in the R&D and sale of pet food products under its proprietary brand.

(6) Customer F is a limited liability company headquartered in Shanghai, China, primarily engaged in the import and export of goods and related agency services.

(7) Customer G is a limited liability company headquartered in South Sumatra, Indonesia, primarily engaged in the distribution and supply of pet food and pet related products, operating under its proprietary brand.

(8) Customer H refers to three affiliated limited liability companies that are under common control due to a shared controlling shareholder, all of which are headquartered in Liaoning, China. One of these entities is primarily engaged in the sale and distribution of pet food and related products under its proprietary brand, while the other two are mainly involved in the trading and distribution of pet food and ancillary pet supplies.

We maintain a prudent provisioning policy whereby, if we have doubt regarding the recoverability of any particular sum of receivables, a specific provision would be made for the doubtful amount. During the Track Record Period, no material provision was required in this respect, and we did not experience any material default in payments from our five largest customers.

To the best of our knowledge, each of our five largest customers in each year during the Track Record Period was an Independent Third Party. To the best of our knowledge, none of our Directors, their close associates or any Shareholders of our Company, who or which to the knowledge of the Directors owned more than 5% of our Company's issued share capital, had any interest in any of our five largest customers in each year during the Track Record Period.

OUR SUPPLIERS

New suppliers must submit samples for testing to verify compliance with our quality standards and their production sites need to undergo comprehensive audits covering production capability, technology and quality control. Only suppliers that pass these assessments are admitted to our approved supplier network. Throughout the collaboration, we conduct annual audits and monitor key performance indicators, including on-time delivery, quality conformity and service response times, using a structured scorecard that supports tiered supplier management.

We also maintain a diversified sourcing model under which multiple qualified suppliers may provide the same type of raw material, strengthening supply assurance and resilience.

Our suppliers primarily comprise raw material suppliers and packaging material suppliers. Purchases from our five largest suppliers amounted to RMB169.2 million, RMB176.2 million and RMB226.8 million in 2023, 2024 and 2025, respectively, representing 29.6%, 30.2% and 41.9% of our total purchases for the same years. Purchases from our largest supplier were RMB52.7 million, RMB64.4 million and RMB89.2 million in 2023, 2024 and 2025, respectively, representing 9.2%, 11.0% and 16.5% of our total purchases for the same years. All of our five largest suppliers in each year during the Track Record Period were located in the PRC. For risks relating to our major suppliers, see "Risk Factors — Risks Relating to our Business and Industry — Our supplier concentration may expose us to supply chain risks."

The salient terms of the agreements with our suppliers are set forth below:

Duration and termination	The duration of the agreement is based on our procurement and business needs.
Payment and credit terms .	Payment is usually made by bank transfer. Credit term is generally within 30 days.
Quality standard and warranty	Our supplier is obliged to provide supplies meeting our required standards or national and industry standards in absence of our specific requirements.
Risk allocation	The risk is transferred to us upon delivery to our designated warehouses. The supplier shall be liable for any quality issues arising during the production process.

The following table sets out the details of our five largest suppliers by purchase cost in each year during the Track Record Period:

For the year ended December 31, 2023

No.	Supplier's name	Purchased amount	% of total purchase	Products procured	Commencement of business relationship	Credit term	Method of settlement
		(RMB'000)					
1	Supplier A[(1)]	52,663	9.2%	Chicken powder and duck powder	2021	0-30 days	Bank transfer
2	Supplier B[(2)]	44,861	7.8%	Chicken fat	2015	0-30 days	Bank transfer
3	Supplier C[(3)]	41,803	7.3%	Chicken powder	2019	0-30 days	Bank transfer
4	Supplier D[(4)]	16,343	2.9%	Chicken powder	2015	0-30 days	Bank transfer
5	Supplier E[(5)]	13,573	2.4%	Freeze-dried ingredients	2020	0-30 days	Bank transfer
	Total of top 5 suppliers	**169,243**	**29.6%**				

For the year ended December 31, 2024

No.	Supplier's name	Purchased amount	% of total purchase	Products procured	Commencement of business relationship	Credit term	Method of settlement
		(RMB'000)					
1	Supplier A	64,387	11.0%	Chicken powder and duck powder	2021	0-30 days	Bank transfer
2	Supplier C	37,493	6.4%	Chicken powder	2019	0-30 days	Bank transfer
3	Supplier B	37,108	6.4%	Chicken fat	2015	0-30 days	Bank transfer
4	Supplier F[(6)]	19,548	3.4%	Pea protein	2015	0-30 days	Bank transfer
5	Supplier G[(7)]	17,678	3.0%	Fresh chicken	2024	0-60 days	Bank transfer
	Total of top 5 suppliers	**176,214**	**30.2%**				

For the year ended December 31, 2025

No.	Supplier's name	Purchased amount	% of total purchase	Products procured	Commencement of business relationship	Credit term	Method of settlement
		(RMB'000)					
1	Supplier G	89,210	16.5%	Fresh chicken	2024	0-60 days	Bank transfer
2	Supplier A	47,860	8.8%	Chicken powder and duck powder	2021	0-30 days	Bank transfer
3	Supplier B	40,210	7.4%	Chicken fat	2015	0-30 days	Bank transfer
4	Supplier H[(8)]	33,933	6.3%	Cellulose and carrot powder	2022	0-30 days	Bank transfer
5	Supplier I[(9)]	15,594	2.9%	Chicken powder and duck powder	2020	0-30 days	Bank transfer
	Total of top 5 suppliers	**226,807**	**41.9%**				

Notes:

(1) Supplier A is a limited liability company headquartered in Jiangsu, China, primarily engaged in manufacture, processing and sale of animal-derived protein and oil products used in pet food and feed production.

(2) Supplier B is a limited liability company headquartered in Jiangsu, China, primarily engaged in the manufacture, processing and sale of feed products and feed-related raw materials.

(3) Supplier C is a limited liability company headquartered in Jiangsu, China, primarily engaged in the production and sale of animal-derived fats and protein meal products.

(4) Supplier D is a limited liability company headquartered in Shandong, China, primarily engaged in the manufacture, processing and sale of feed products and animal-derived feed ingredients.

(5) Supplier E is a limited liability company headquartered in Shandong, China, primarily engaged in the R&D and sale of animal nutrition and feed-related products.

(6) Supplier F is a limited liability company headquartered in Shanghai, China, primarily engaged in the provision of technical services and the sale of pet nutrition and related products.

(7) Supplier G is a public company listed on Shenzhen Stock Exchange and headquartered in Fujian, China, primarily engaged in the production and sale of broiler and related food products.

(8) Supplier H is a limited liability company headquartered in Shanghai, China, primarily engaged in the production, R&D and sale of feed products, feed additives and related materials.

(9) Supplier I is a limited liability company headquartered in Jiangsu, China, primarily engaged in the production, processing and sale of feed products and agricultural products.

All of our suppliers during the Track Record Period were Independent Third Parties. During the Track Record Period, none of our Directors, their associates or any shareholders of our Company, who or which to the knowledge of the Directors owned more than 5% of our Company's issued share capital, had any interest in any of our five largest suppliers.

OVERLAPPING OF OUR CUSTOMERS AND SUPPLIERS

Customer C was also our supplier during the Track Record Period. We purchased small-scale packaging materials from Customer C for pet food packaging. In 2023, 2024 and 2025, our purchases from Customer C amounted to nil, RMB0.02 million and nil, respectively, and our sales to Customer C amounted to RMB46.9 million, RMB10.3 million and RMB12.9 million for the same years, respectively.

Supplier H was also our customer during the Track Record Period. We sold small-scale raw materials for pet food production to Supplier H for it to conduct raw material mixing and processing, and we purchased cellulose and carrot powder from Supplier H. In 2023, 2024 and 2025, our sales to Supplier H amounted to nil, nil and RMB0.1 million, and our purchases from Supplier H amounted to RMB8.4 million, RMB12.2 million and RMB33.9 million for the same years, respectively.

Supplier G was also our customer during the Track Record Period. We sold chicken fat to Supplier G for it to further deep process into feed, and we purchased fresh chickens from Supplier G. In 2023, 2024 and 2025, our sales to Supplier G amounted to nil, nil and RMB15.3 million, respectively, and our purchases from Supplier G amounted to nil, RMB18.1 million and RMB89.2 million for the same years, respectively.

Our sales to each customer/supplier above were not conditional upon purchases from it, and *vice versa*. All sales to and purchases from these customers/suppliers were conducted in the ordinary course of business, based on normal commercial terms and negotiated on an arm's arm's length basis. The terms of our agreements with these customers/suppliers were generally consistent with those entered into with other suppliers and customers. During the Track Record Period, there were no instances where trade payables to these customers/suppliers were offset against trade receivables from them, nor were there any instances where trade receivables from these customers/suppliers were offset against trade payables to them.

DATA PROTECTION AND PRIVACY

We are committed to complying with data protection and privacy laws and protecting data security. Our business operations involve the collection, use, storage, retention, transfer and other processing of personal data of our customers. Our customers interact with us primarily via the following channels: (i) our online stores on third-party e-commerce platforms and (ii) WeChat mini programs.

In the process of providing sales services to our customers through third-party e-commerce platforms and WeChat mini programs, we mainly have access to order information obtained during online sales, such as consumer addresses, contact information, purchase details and payment information. Generally, the e-commerce platforms encrypt such data before transmitting them to us. Furthermore, when consumers complete registration through WeChat mini-programs, we obtain their authorization to collect necessary personal information, such as names, mobile phone numbers, birthdays, and genders, for the purpose of providing relevant services.

We have devised a number of strict data protection policies and measures to ensure that our personal information protection and the sourcing, processing, storage and usage of data are in compliance with applicable laws and in line with prevalent industry practice.

As of the Latest Practicable Date, we had not been subject to fines or penalties for non-compliance with laws and regulations related to data privacy and/or personal information protection, nor had we been investigated by relevant governmental authorities in relation to the protection of personal information. Furthermore, we (i) adopted various measures to protect such data from being misused, attacked, or leakage; (ii) did not experience any incidents in breach of users' personal information or any other relevant cybersecurity and data security incidents which could cause a material adverse effect on our reputation, business, financial condition or results of operations; and (iii) were not subject to any enquiry, notice, review, warning or investigation by any government authorities in respect of any laws, regulations or policies relevant to data privacy protection with material adverse effect. Based on the above, we are of the view that we complied with personal data and privacy protection laws and regulation in all material respects.

INFORMATION TECHNOLOGY

We have instituted a systematic information technology system covering all material aspects of our operations. Our key information technology systems are set forth below:

- *WCS*. Our warehousing control system ("WCS") is responsible for scheduling and managing automated warehouse equipment, including automated guided vehicles, stacker cranes and conveyor lines, ensuring precise and efficient movement of finished goods, reducing transportation error rates and enhancing operational efficiency.

- *WMS*. Our warehousing management system ("WMS") works in coordination with our WCS to create an intelligent warehousing management solution. Our WMS leverages smart algorithms to optimize storage location allocation and employs wave picking strategies based on order priority and optimized picking paths, significantly improving outbound efficiency.

- *ERP System*. Our Enterprise Resources Planning ("ERP") system enables a closed-loop management process covering production, sales and finance. Through digitalization, it encompasses key stages from sales order intake, production planning, raw material procurement, finished goods inventory management and purchase reconciliation, ensuring efficient coordination and seamless integration across all business processes.

- *OMS*. Our order management system ("OMS") serves as the central hub for our business coordination, responsible for integrating orders from multiple channels and platforms. Through built-in automation mechanisms, such as automatic order review, inventory sourcing and order splitting and merging, it enables refined management.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any information technology system failure or downtime that had a material adverse effect on our business operations.

COMPETITION

We are rooted in China's pet food industry. According to Frost & Sullivan, pet food can be categorized into: pet staple food, pet treats and pet supplements. The pet food market is experiencing rapid growth, with pet staple food being the largest segment. As an essential daily diet for pets, pet staple food accounts for over 65% of the total pet food market. According to Frost & Sullivan, in terms of retail sales, the market size of China's pet staple food industry grew from RMB48.4 billion in 2020 to RMB74.2 billion in 2025, with a CAGR of 8.9% from 2020 to 2025, which is projected to continue to grow at a CAGR of 10.9% over the next five years. We mainly compete with domestic and international brands in China's pet food industry and are faced with certain risks related to such competition. We believe that with our strategic positioning, strong R&D capabilities and dynamic sales and distribution network, we are well-positioned in the industry to capture the rapidly growing market opportunities, attract and maintain business customers and consumers and increase our market share. See "Industry Overview."

ENVIRONMENT MATTERS AND SOCIAL RESPONSIBILITY

We consider environmental, social and corporate governance ("**ESG**") matters as an integral part of our operations. In line with our core value of being a socially responsible company, we resolutely assume social responsibilities, raise environmental awareness and promote long-term sustainable development.

ESG Governance and Policies

We have established a robust and comprehensive ESG governance framework, supported by a clearly defined three-tier ESG governance structure comprising governance, management, and execution levels. This structure ensures the systematic formulation, oversight, and implementation of our sustainable development strategy. At the governance level, our Board of Directors, especially our Strategy and ESG Committee serve as the highest decision-making and oversight body. Our directors are responsible for approving our Group's ESG strategy, overseeing ESG risks and their integration into overall risk management, reviewing and approving the annual ESG report, and making final decisions on material matters. The Strategy and ESG Committee acts as the core supervisory body, reviewing medium- to long-term ESG plans, annual objectives and budgets, monitoring policy implementation and progress, assessing ESG risks and opportunities, and facilitating the execution of our directors' decisions. Through a closed-loop governance mechanism encompassing execution feedback, management coordination, committee oversight, and Board-level decision-making, we ensure that ESG management is fully embedded across our operations, providing a strong governance foundation for long-term value creation.

Anti-Corruption

We strictly comply with national laws and regulations as well as international standards, and have established a systematic anti-corruption and business ethics management framework. Through policies such as the Employee Integrity Agreement and the Letter of Commitment to Cooperation and Integrity, we explicitly prohibit corruption, bribery, fraud, and money laundering, and have implemented a comprehensive, end-to-end control mechanism covering training, supervision, and enforcement. The audit function maintains open reporting channels and follows a standardized investigation process, ensuring fair handling of all complaints. During the Track Record Period, neither the Company nor its employees were involved in any judicial cases related to corruption or bribery.

Environmental Protection

We recognize the urgent need to address environmental challenges and minimize ecological footprints. We actively seek to conserve resources, reduce the discharge of waste and pollutants and support initiatives that contribute to sustainable development.

Consumption of Resources

We have formulated and implemented the "Green Production Management Measures," systematically promoting energy conservation, consumption reduction, and green operations. We have established energy consumption and water consumption quota standards for production bases, and have obtained ISO 14001:2015 Environmental Management System and ISO 50001:2018 Energy Management System certifications.

- *Energy Management*. We have developed a scientifically sound energy management plan, actively increasing the proportion of clean energy usage, advancing photovoltaic power generation, upgrading traditional boilers to steam generators, and optimizing the energy structure.

- *Water Management*. We have established water-saving management regulations, utilizing pure water devices to recycle water resources. We strictly manage water consumption statistics and strengthen the maintenance of production equipment to reduce water resource waste.

- *Resource Recycling*. We have formulated and implemented the "Environmental Protection and Sustainable Development Policy," vigorously promoting resource recycling, optimizing the process of secondary recycling of cardboard boxes, and actively encouraging the use of reusable packaging materials.

To effectively promote energy conservation and consumption reduction, we aim to achieve an 8% reduction in energy consumption per unit of output at our production bases by 2026. The specific resource consumption of the company in 2023, 2024 and 2025 is as follows:

		Year ended December 31,		
Resource Classification	**Unit**	**2023**	**2024**	**2025**
Electricity	MWh	8,772.2	13,116.3	14,657.6
Water Resources	Metric Tons	69,037.7	118,835.1	148,671.9

Waste and Pollutant Management

We have formulated the Wastewater and Waste Management Regulations to standardize the scientific and effective management of wastewater, exhaust gases, and solid waste pollutants, improve the working environment, and reduce the generation of pollutants and their impact on the environment. Our production activities do not involve the extensive use of hazardous or dangerous chemicals. In practice, we have taken multiple measures to minimize the environmental impacts of our production. We regularly commission third parties to monitor emissions, and we are committed to continuously reducing our overall environmental impact. During the Track Record Period and up to the Latest Practicable Date, we had not materially violated any environmental laws and regulations applicable for our operations.

Wastewater: We implement full-process pollution prevention and control for both production and domestic wastewater. Production wastewater must be purified at the sewage treatment station and meet international and local discharge standards before being released. Waste liquids generated from laboratory analyses are strictly prohibited from being discharged and must be collected and stored in accordance with hazardous waste regulations. Additionally, we have established a daily monitoring mechanism for wastewater operation conditions.

Exhaust Gas: We strengthen the management of harmful and toxic gases, regularly checking the sensitivity and usage of toxic gas alarm devices in workshops. To address volatile organic compound (VOC) emissions, we have implemented dedicated purification measures and instaled air pollution control equipment.

Waste: We have established a waste classification and treatment system, strictly segregating waste for temporary storage and promptly transferring it to qualified waste recycling companies for treatment.

Carbon Emission Management

We always place carbon emission management in a crucial position in our corporate sustainability and environmental responsibility efforts. Looking ahead, we will establish a system for collecting and recording carbon emission data and disclose carbon emission information through regular ESG report publication. In addition, we plan to establish environmental entry standards for suppliers, incentives for low-carbon raw material procurement, and methods for calculating supply chain carbon footprints. To effectively promote the green and low-carbon transformation, we aim to achieve carbon neutrality at our production bases by 2028, reducing the environmental footprint of our manufacturing operations and accelerating the decarbonization of the raw material supply chain.

The specific carbon emission situation of the company during the period in 2023, 2024 and 2025 is as follows:

		Year ended December 31,		
Classification	**Unit**	**2023**	**2024**	**2025**
Scope 1	Metric Tons of Carbon Dioxide Equivalent	1,001.0	1,644.7	2,314.4
Scope 2	Metric Tons of Carbon Dioxide Equivalent	8,595.1	13,930.7	23,517.7
Scope 3	Metric Tons of Carbon Dioxide Equivalent	9,345.0	9,080.8	10,064.9

Social Responsibility

We believe that our continuous growth rests on integrating social values into our business. In community engagement, we have consistently supported stray animal rescue efforts, donating over 100 tons of supplies in the past three years. We have also contributed over RMB0.5 million to charitable organizations, including the Shanghai Charity Foundation, to support education and social welfare initiatives. In terms of industry contribution, we initiated the "Fubei Cup" National College Student Innovation Competition to promote industry-academia-research collaboration, participated in the development of industry standards to enhance quality and safety, and supported industry exchange and public awareness through conference sponsorships and public science outreach activities. Going forward, we will continue to contribute to a sustainable social ecosystem.

Employee Employment

We recruit employees lawfully, practice fair competition, select personnel according to actual needs, and hire the best candidates. We have an Employee Handbook that makes it clear no differential treatment is given during the employment process on the basis of ethnicity, age, gender, marital status, or religious belief. To manage anti-discrimination, we have an audit department that conducts special audits, carries out a comprehensive review of every stage, produces dedicated audit reports, and follows up on the implementation of corrective actions. During the Track Record Period, we strictly complied with all applicable laws and regulations, ensuring that no form of forced labor occurred and that no minors below the statutory minimum employment age were hired for any work.

Our employee employment status as of the dates indicated is as follows:

- Gender distribution

	As of December 31,		
	2023	2024	2025
Number of Male Employees	240	278	304
Number of Female Employees	243	283	319

- Age distribution

	As of December 31,		
	2023	2024	2025
Number of employees aged <30	161	178	186
Number of employees aged 30~50	271	329	369
Number of employees aged >50	51	54	68

Occupational Safety Development

We regard employee safety and health as our top priority and manage health and safety affairs in accordance with relevant statutes and policies, and have successfully obtained ISO 45001 Occupational Health and Safety Management System certification. We have formulated the Production Safety Operation Manual and the Environmental Aspects & Hazard Identification, Risk Assessment and Control Procedure to standardize and institutionalize production operations, identify environmental aspects and hazards, safeguard employee health and safety, and foster a secure production environment. Meanwhile, we have established the Emergency Response Plan for Work Safety Accidents and risk-and-opportunity control procedures. By identifying, analyzing, evaluating, and controlling risks, we ensure that all hazards remain within acceptable limits.

Employee Development and Training

Aiming to unleash every employee's knowledge and potential, we place the most suitable talent in the best-matched positions so that staff and company grow together. We are committed to building a comprehensive development and incentive system: directors of all centers, subsidiaries, and departments receive training on performance-management methods, appraisal implementation, and result application. We established a detailed Training Register that systematically records information on job-specific skills, safety & compliance, professional competencies, and other training topics, standardizing training administration.

Supply-Chain Management

We will establish a standardized compliance system to ensure supply chain sustainability and stability: (1) All partners must hold ISO 14001 and ISO 45001 certificates and provide annual surveillance records; (2) External disclosures must be verified for accuracy; our documents require supplier acknowledgment to ensure standardized communication; (3) We conduct unannounced checks, track document validity, and prompt renewals one month before expiry; (4) Suppliers must report changes promptly; cooperation continues only after review and approval. These requirements will be embedded in contracts to strengthen enforcement.

Ethics in Relation to Laboratory Animal

We highly value animal welfare and ethical standards, ensuring that our animal welfare practices comply with the technical requirements of GB 14925-2023 Laboratory animal — Environment and housing facilities (《GB 14925-2023實驗動物環境及設施》) and GB/T 42011-2022 Laboratory animal — General guidelines for welfare (《GB/T 42011-2022實驗動物福利通則》). All animal studies are strictly adherent to the Regulations on the Administration of Laboratory Animals. We implement the "3R Principles" (Replacement, Reduction, Refinement) throughout our R&D processes, remaining committed to advancing scientific work while remaining ethically compliant.

In the areas of animal husbandry and experimentation, we have established an Animal Welfare and Ethics Committee review system. All R&D projects involving laboratory animals must be submitted to the Laboratory Animal Welfare and Ethics Committee for review. Furthermore, we have incorporated knowledge on laboratory animal welfare and ethics into the annual training programs for research and relevant staff, continuously enhancing their sense of responsibility and professional competence. By persistently optimizing alternative testing methods and technical means, we strive to minimize reliance on animal testing while ensuring product safety and efficacy, putting into practice our commitment to responsibility for life.

Product Marketing & Quality Audit

We ensure product quality through cross-departmental collaboration. The Food Safety Department conducts comprehensive safety and risk assessments for new products and production lines, covering the entire process from R&D to mass production in accordance with the New Product Management Procedure. The ODM Division implements quality controls through dedicated quality agreements, establishing a complete quality assurance process from production to market. We have implemented a systematic quality and compliance management framework. The Food Safety Department provides end-to-end assurance based on international standards such as ISO 22000:2018 and ISO 9001:2015. We strictly comply with applicable regulations, assisting clients with packaging and labeling reviews to ensure accurate labeling and truthful marketing. A regulatory register is established and dynamically maintained to monitor regulatory requirements and ensure comprehensive compliance.

INTERNAL CONTROL AND RISK MANAGEMENT

We are exposed to various risks during our operations, including those specific to our business as well as risks relating to economic conditions and the general industry in which we operate. We have put in place various internal control and risk management procedures to address various potential operational, financial and legal risks identified in relation to our operations.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [**REDACTED**], we have adopted, among other things, the following risk management measures:

- adopting policies that enhance compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;
- organizing training sessions for our Directors, and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies [**REDACTED**] in Hong Kong;
- adopting internal control policies with regard to our brands;
- providing training programs on quality assurance and product safety procedures; and
- distributing employee handbooks to enhance employees' awareness of complying with laws and regulations.

To embed a culture of compliance and set clear expectations for individual behavior, we regularly review our risk management policies and internal procedures, enforce strict internal accountability, and conduct ongoing compliance training.

Based on our established systems, work performed by internal and external auditors, and reviews by board committees, our Board, with the concurrence of our audit committee, is of the opinion that our internal controls and risk management systems, including financial, operational, compliance and information technology controls, are adequate and effective as of the Latest Practicable Date.

EMPLOYEES

As of December 31, 2025, we had 623 full-time employees located in China. The following table sets forth a breakdown of our employees by business function as of the same date:

Business Function	Number of Employees	Percent
		(%)
Production	202	32.4
Sales	147	23.6
Food Safety	30	4.8
Warehousing	27	4.3
Finance	34	5.5
General Administration	17	2.7
Branding	23	3.7
R&D	36	5.8
Others[1]	107	17.2
Total	**623**	**100.0**

Note:

(1) Others mainly include employees in our procurement, IT, product design and equipment management departments.

We recruit employees through multiple channels, including recruitment platforms, agencies, university partnerships and internal and external referrals. We motivate our employees with competitive compensation, comprehensive benefits and performance-based incentives. In compliance with PRC laws and regulations, we participate in required social security schemes. We provide structured training across the entire career lifecycle from onboarding and role-specific professional skills to management development and advanced leadership programs, leveraging both internal and external resources to support continuous employee growth and build a strong foundation for long-term organizational success.

We have maintained a good relationship with our employees and did not have any material labor dispute during the Track Record Period.

Social Insurance and Housing Provident Funds

During the Track Record Period, we did not make full contributions to social insurance and housing provident funds for certain employees in accordance with the relevant PRC laws and regulations, primarily because certain employees were unwilling to contribute to social insurance and housing provident funds strictly based on the required proportion of their salaries. In addition, during the Track Record Period, we engaged third-party human resources agencies to make social insurance and housing provident fund contributions for a small number of employees, mainly to accommodate such employees' needs for contributions to be made in locations other than their place of employment. For the years ended 2023, 2024 and 2025, the aggregate shortfalls in our social insurance and housing provident fund contributions amounted to RMB0.9 million, RMB1.6 million and RMB2.9 million, respectively.

Pursuant to the PRC laws and regulations, we are required to pay social insurance premium and housing provident funds for our employees under our own accounts instead of making payments under third-party accounts. The contributions to social insurance premium and housing provident funds made through third-party accounts may not be viewed as contributions made by us, and as a result, we may be required by competent authorities to pay the outstanding amount, and could be subject to late payment penalties, fines or enforcement applications made to the court. As advised by our PRC Legal Advisor, an employer that has not made social insurance contributions at a rate and based on an amount prescribed by the law, or at all, may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee of up to 0.05% of the outstanding amount for each day of delay. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount unpaid. Pursuant to relevant PRC laws and regulations, if there is a failure to pay the full amount of the housing provident fund as required, the housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

During the Track Record Period and up to the Latest Practicable Date, no material administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to our shortfall in social insurance and housing provident fund contributions, nor had we received any order or been informed to settle the shortfall. We have obtained regulatory confirmation through written confirmations or interviews with the relevant authorities, which confirmed that no administrative penalties were imposed on us in respect of our non-compliance with social insurance and housing provident fund contributions during the Track Record Period. We were not aware of any material employee complaints or involved in any material labor disputes with our employees with respect to social insurance and housing provident fund. Based on the above, our PRC Legal Advisor is of the view that the risk of us being subject to material administrative penalties or substantial supplementary contributions imposed proactively by the relevant government authorities is remote.

Having considered the foregoing, our Directors believe that such non-compliance would not have a material adverse effect on our business, results of operations or financial condition or the [**REDACTED**], considering that: (i) as of the Latest Practicable Date, we had not received any notice from the relevant PRC authorities requiring us to pay any shortfall in social insurance or housing provident fund contributions or imposing any administrative penalties on us; (ii) as of the Latest Practicable Date, we were not aware of any material employee complaints or any material labor disputes relating to social insurance or housing provident fund contributions; and (iii) according to our PRC Legal Advisor, taking into account the relevant regulation and the foregoing facts, the risk of us being required by the relevant PRC authorities to make substantial supplementary contributions or being materially penalised for our under-contribution of social insurance and housing provident funds is remote. Accordingly, no provision has been made for the shortfall in social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date. Our Controlling Shareholder has undertaken to indemnify us for any financial losses that may arise from any failure by the Company or its controlled subsidiaries to make full social insurance and housing provident fund contributions.

We have taken the following internal control measures to prevent future occurrences of such non-compliance:

- Enhancing our human resources management policies, which explicitly require social insurance and housing provident fund contributions to be made in accordance with applicable local requirements;

- Strengthening the training of our personnel, including training on various compliance-related topics for our employees;

- Regularly keeping abreast of the latest developments in PRC laws and regulations relating to social insurance and housing provident funds;

- Enhancing our internal control measures to monitor our ongoing compliance with the social insurance and housing provident fund contributions regulations; and

- Consulting our PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments; and actively communicating with relevant social insurance and housing fund local authorities to ensure we have the most updated information about the relevant laws and regulations concerning social insurance and housing provident fund.

During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, we had not been and were not involved in any material noncompliance incidents in relation to social insurance and housing provident funds that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

INSURANCE

We maintain insurance coverage over our daily operations. Our principal insurance policies primarily include product liability insurance and property insurance for our production bases, which we believe have covered major risks in our daily operations. In line with general market practices, we do not maintain certain policies that are not available in the locations wherein we operate, or that are not generally required by laws. See "Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may be insufficient to cover all of our potential losses."

We believe that our insurance coverage is adequate for our business and in line with general market practice. We will continue to review and assess our risk portfolio and make necessary and appropriate adjustment to our insurance plans to align with our needs and with industry practice. During the Track Record Period, we did not make any material insurance claims in relation to our business.

LICENSES, PERMITS AND APPROVALS

We are required to obtain various licenses, permits, approvals and certificates for our business. As advised by our PRC Legal Advisor, we had obtained the requisite licenses, permits, approvals and certificates from applicable authorities which are material to our operations, and such licenses, permits, approvals and certificates are valid and subsisting as of the Latest Practicable Date. We renew the licenses, permits, approvals and certificates from time to time to comply with the relevant laws and regulations. As advised by our PRC Legal Advisor, there is no material legal impediment to renewing our licenses, permits, approvals and certificates required for our operations.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. Our Directors are of the view that, we had complied, in all material respects, with all relevant laws and regulations in the jurisdictions we operate in during the Track Record Period and up to the Latest Practicable Date.

PROPERTIES

Our headquarter office is located in Shanghai, China. We own and lease properties in China. As of the Latest Practicable Date, we had no single property with a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Owned Properties

As of the Latest Practicable Date, we owned land use rights of 12 parcels of land, with an aggregate site area of approximately 409,404.60 sq.m. in China, which were primarily for production, warehousing and management purposes. As of the Latest Practicable Date, we owned 23 properties in the PRC with an aggregated gross floor area of approximately 188,735.05 sq.m., primarily for use as production bases and offices. All of these land parcels and buildings have been granted land use right certificates and ownership certificates.

Leased Properties

As of the Latest Practicable Date, we leased two properties in the PRC with an aggregate gross floor area of approximately 11,736.76 sq.m., which were primarily used for production bases. The leases have terms of one year and four and a half years, respectively.

Leased Properties with Defective Titles

As of December 31, 2025, the lessor for one of our leased properties has not obtained a land use right certificate and property ownership certificate, corresponding to a gross floor area of the leased building of approximately 6,000.0 sq.m. We believe that the lessors' failure to provide the relevant documentation is due to reasons beyond our control. According to our PRC Legal Advisor, without a valid property ownership certificate of the lessor, our use of these buildings may be invalid or subject to third-party claims or disputes. Furthermore, if the lessors lack legal rights, we may be required to vacate the leased building and relocate our operational site. Considering that: (i) the local government of the leased property confirmed that (a) the leased property is currently not subject to any demolition plans or changes in land use planning, (b) the property is leased for the production, R&D and sale of pet food, which is consistent with its permitted land use, and (c) the lease is valid and lawful, and no non-compliant or illegal business activities have been identified during the lease term; (ii) during the Track Record Period, neither our Company nor our subsidiaries were subject to any penalty by competent authorities due to the defective properties, our PRC Legal Advisor is of the view that the foregoing defects in the leased property are unlikely to impose any material adverse effect on our business operation. Therefore, our Directors are of the view that the aforementioned incident would not have any material adverse effect on our business, financial condition and results of operations. See "Risk Factors — Risks Relating to Our Business and Industry — Any interference to our right to use the owned or leased premises may adversely affect our business operations."

Leased Properties with Registration Defects

Pursuant to the applicable laws and regulations in China, property lease agreements for leased buildings must be registered with the relevant real estate authorities. Our PRC Legal Advisor has confirmed that the lack of registration does not affect the validity or enforceability of these lease agreements, although we may face fines ranging from RMB1,000 to RMB10,000 per unregistered lease. As of December 31, 2025, our two leased properties had not completed the registration and filing procedures for their lease agreements. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalties for failing to complete these lease registrations or filings. Considering that the potential penalty amount is relatively small (an aggregate of no more than RMB20,000), and such defects do not affect the legal validity of our lease agreements, our PRC Legal Advisor is of the view that such lease agreements will not be rendered invalid solely due to the absence of lease registration and filing, nor will such defects affect our right to use the leased properties in accordance with the terms of the lease agreements. See "Risk Factors — Risks Relating to Our Business and Industry — Any interference to our right to use the owned or leased premises may adversely affect our business operations."

INTELLECTUAL PROPERTY

Intellectual property is fundamental to our success and competitiveness. As of the Latest Practicable Date, we had 132 patents, 41 copyrights, and 6 registered domain names in the PRC. As of the Latest Practicable Date, we had 305 trademarks registered in the PRC and 29 trademarks registered overseas. For details, see "Appendix VI — Statutory and General Information — Further Information about Our Business — Intellectual Property Rights."

We rely on a combination of patent, copyright, trademark and other intellectual property protection laws in the PRC and other jurisdictions, in which we operate, fair trade practices, contractual arrangements and confidentiality procedures to establish and protect our proprietary technologies, know-how and other intellectual property rights. Despite our precautions, we may be subject to risks associated with alleged infringement of third parties' intellectual property rights or infringement of our intellectual property rights by third parties. See "Risk Factors — Risks Relating to Our Business and Industry — We may not be able to protect our intellectual property rights, and our ability to compete could be harmed if our intellectual property rights are infringed by third parties." During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material infringement of our intellectual property rights or allegations of infringement by third parties that had a material adverse effect on our business.

AWARDS AND RECOGNITIONS

Since our establishment, we have received awards and accolades in recognition of our brand, products and innovative capability. The following table sets out major awards and recognitions we had received as of the Latest Practicable Date:

Year	Awards or Recognition	Awarding Authority
2025 . . .	Innovation and Quality Award of Songjiang District (松江區政府質量獎創新獎)	People's Government of Songjiang District, Shanghai (上海市松江區人民政府)
2025 . . .	Shanghai 2025 (First Batch) Green Manufacturing Unit (上海市2025年度(第一批)綠色制造單位)	Shanghai Municipal Commission Of Economy and Informatization (上海市經濟和信息化委員會)
2025 . . .	Best Trend Award for Pet Dog Staple Food (*Bi Le*) (天貓寵物犬主糧最佳趨勢獎) (比樂)	Tmall (天貓)
2025 . . .	Value Brand in the Pet Industry (*Bi Le*) (寵物行業價值品牌) (比樂)	Forbes (福布斯)
2025 . . .	Shanghai Fashion Products Innovative Product (*Bi Le*) (上海時尚出品創新產品) (比樂)	Shanghai Municipal Commission of Economy and Informatization (上海市經濟和信息化委員會)
2025 . . .	Annual Quality Supply Chain Award (年度優質供應鏈大獎)	Pet Fair Asia (亞洲寵物展覽會)
2024 . . .	Emerging Growth Brand of Domestic Pet Food (*Bi Le*) (國產寵糧增長新勢力品牌) (比樂)	JD.com (京東)
2023 . . .	Second Prize in the Yangtze River Delta 5G + Industrial Internet Competition (長三角5G+工業互聯網大賽二等獎)	Shanghai Emerging Information and Communication Technology Application Research Institute (上海 新興信息通信技術應用研究院), Jiangsu Enterprise Informatization Association (江蘇省企業信息化協 會), Anhui Chief Information Officer Association (安徽省首席信息官協會) and Zhejiang Enterprise Informatization Promotion Association (浙江省企業信息化促進 會)
2018-2023 . .	Specialized and Innovative Small and Medium-sized Enterprise in Shanghai (上海市專精特新中小企業)	Shanghai Municipal Commission of Economy and Informatization (上海市經濟和信息化委員會)
2017 . . .	Specialized and Innovative Small and Medium-sized Enterprise in Anhui Province (安徽省專精特新中小企業)	Economic and Information Technology Commission in Anhui Province (安徽省經濟和信息化委員會)